THE FINANCIAL POST

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The Nation's Business

Victory Abroad vs. Defeat at Home

Evidence mounts daily that after the war itself, the greatest danger besetting Canadians is that bureaucrats, entrusted with totalitarian wartime powers, will contrive to maintain that power. In that event, Canada will have defeated totalitarianism abroad, only to achieve it at home.

A Toronto newspaper this week seeks to reassure Canadians that all the war bills can be met; that the national debt will not be ruinous; that the Dominion after the war will be "reasonably prosperous," adding that (Ottawa) "financial experts say there is no reason for selling the future of Canada short."

Among reasons given by the aforesaid Ottawa financial experts for this happy prognostication is this: "Economic controls now in force will be continued until long after the war."

That kind of thinking seems to be spreading far and wide, not only in Ottawa, but also in the country. Power is sweet and it is a very human frailty to seek to retain it; to feel honestly that one's own wisdom, vision and sincerity will justify retention of that power.

For the public generally, constant remembrance and determination to reclaim its democratic rights and functions when the emergency is past is increasingly important. The man with a leg in a cast becomes increasingly skilled at getting around on one leg. He is less and less troubled and concerned by his handicap. If bound up long enough, the leg must finally be retrained in usefulness, or else the man is crippled for life.

Canadian development will be crippled indeed if people are benumbed by the propaganda now emanating from many, and often innocent, quarters which hold out totalitarian bureaucracy and controls as the sole protection from postwar collapse.

Canadians who spread it, who irresponsibly accept that gospel because they think it is "liberal" or "forward looking" should examine what they really believe in.

If Canada, wilfully or neglectfully, lets herself slip into acceptance of totalitarian bureaucratic government, she is handing Hitler a "heads you win, tails we lose" proposition.

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"OUR NATIONAL UNIVERSITY"

"Our National University" is a phrase which Hon. J. L. Ralston Minister of Defense for Land, has brilliantly applied to Canada's Army.

This week, Canadians everywhere are honoring that university and its students. "Army Week" focuses public attention on that arm of our services which has so far seen little action in the war, but which will do the final job of victory.

The Ralston phrase is a good one. In this war, every soldier has to be an expert of some kind. Each soldier is a vital part of a giant, living organism. To do this, Army training today is much more than mass exercise in drill and death-dealing. It is the education of a great variety of skilled workers and thinkers.

And the Army also merits the name "National University" because its members are inevitably learning much and profoundly of the things that make Canadianism precious; which make freedom and democracy worth fighting for.

Canadians will rejoice to honor them. It is devoutly to be hoped that the wretched and cowardly government spectacle on the question of all-out and equal service will not long continue to bring anger and embarrassment to Canadians who are offering everything they have.

Canada's Army Week could have had no better send-off than the universal acclaim and enthusiasm which has greeted the Washington report that General McNaughton is in line for supreme command of the "second" front.

Wherever he goes, wherever his zeal and brilliance are known, the leader of the Canadian Army is rated "tops." True, his competence as fighting leader has yet to be tested in this war but those who serve under him in Great Britain and those with whom he has come in contact in this continent have no fears as to the sort of job he will do once his turn comes. And the same may be said of the Canadian Army itself.

Had our Army been in action as a fighting unit already, such a thing as Army Week might not have been necessary. As it is, the enthusiasm and interest which has taken hold of the idea once it was suggested, indicates the eagerness of all Canadians to pay deserved tribute to the men in khaki.

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McNAUGHTON WOULDN'T DO IT

Shelling of Canada's west coast, the collapse in Libya, the dire pressure on the Chinese and on the Russians—all these very grave events emphasize as never before the vital necessity that Canada must let nothing stand in the way of utmost efficiency in her contribution to the cause of the United Nations.

Again, The Financial Post points out that, creditable as Canada's war production effort has been, it could be very much better. It is still handicapped by the fact that, at its head is a member of the government who is constantly crowded, and everlastingly plagued by his duties as a member of the government; by his political responsibilities in the House of Commons.

The Hon. C. D. Howe, Minister of Munitions and Supply, must frequently spend several hours in the House of Commons. A few weeks ago it involved a speech on man power. That is a problem vitally concerning the war effort, but also one designed, in the time at which it was given, to serve the particular political purposes of the government.

That Mr. Howe should have felt it desirable to give this speech is not surprising. That he, as the general manager of Canada's biggest business—the one on which hundreds of thousands of soldiers here and abroad depend so much—should have had to waste his time and energies in political rather than productive activities, is a glaring example of the weakness in the present Ottawa set-up to which The Post has frequently called attention.

Walter Lippmann emphasized the same point recently when he referred to the relation between America's General Marshall, the military technician and Secretary Stimson, the public man. Lippmann said:

"Suppose General Marshall were at the head of the War Department: It would be General Marshall who would have to conduct the relations of the army with Congress, with the general public, with the other departments of government. General Marshall would have very little time and energy left to organize and command the army, and he would be wracked by a thousand disputes and pressures that now are absorbed by Secretary Stimson and the civilian staff of the War Department."

The war production job, planning and managing and co-ordinating the work of thousands of Canadian factories, is the job of a technician—a skilled production engineer; of a man who cannot give his job his best if he has to worry about extraneous matters; about politics, whether they be in a firm or in the nation's capital.

General McNaughton is not brought home from Britain every time the government wants him to make a political speech or to confer on political matters. That isn't his job. It is, under our democratic form of government, Mr. Ralston's. Expecting Mr. Howe to do his best work rushing from the production front to the political front and back again is asking too much of him: risking too much for Canada and for the United Nations.

Mr. Howe can't do both jobs properly. Let him choose which one he wants.

Gold Mines Mill Rates Frozen

Average Tonnage in First Four Months Now to be Maximum Allowed

By STAFF WRITER

OTTAWA. — Freezing of all gold producers in Canada at the average tonnage of the first four months of 1942 will be announced here this week.

The average tonnage produced during January, February, March and April will be the maximum which any gold mine may henceforth handle.

The order will be in the form of an order-in-council and will be administered by George C. Bateman, Controller of Metals. Certain discretionary powers will be given Mr. Bateman to adjust the order in any case requiring special consideration.

The order comes after months of negotiation and discussion in which strong pressure has been exerted by certain U. S. government officials to bring about a rapid if not complete shut down in gold production for the duration of the war.

An original scheme which would have affected both South Africa and Canada was the curtailment in the indent for glycerine required by these countries from the United States. The amount which was to have been deducted from Canada's requirement of glycerine imports coincided exactly with the amount which was used by Canadian gold mines.

Subsequently proposals were made that Canadian mines would voluntarily reduce their output by a fixed percentage so as to meet the claim that unnecessary labor and materials were being used in this field.

The final decision is the one outlined above, namely a strict limit on production of individual mines.

One other factor is important, namely that because tonnage is now limited, this does not mean that all or any mines will be assured sufficient men and materials to meet this quota.

For example, in B. C. the situation has recently become so serious that an order has been issued by Man Power Director Elliott M. Little forbidding any new men to be taken on in gold mining in that province until the serious labor shortage in base metal and other strategic minerals is overcome. Effects of the ruling are analyzed on page 14.

MR. ILSLEY'S FOLLOW-UP MAN

—Photo for The Financial Post by Karsh.

Bachelor of Science, King's Counsel and Civil Engineer is Colin Fraser Elliott, but Canadians know him best as the boss tax collector of the nation. To him, as Commissioner of Income Tax, falls the big task of devising means for the efficient collection of the taxes levied in the new federal budget. Born in Winnipeg, educated at the University of Toronto and Osgoode Hall, Mr. Elliott was an artillery officer last Great War. "War and Taxes," he says philosophically, "are evil companions. Each must be managed with consummate skill. Intensified, they are creatures of evil forces. However, they are declared by the free will of the people."

Technique of Taxation 'at Source Not Yet Officially Formulated

Biggest headache in the new income tax schedule so far as the income tax department at Ottawa is concerned is proving to be establishment of an equitable and practicable basis for bringing in the revised system of collection at the source.

Nothing final has been worked out on this, nor is it likely to be ready for a week or two as yet. Until proper schedules are completed no one will know exactly how much will be deducted from his salary beginning September 1; business firms will not know how much added work is to be required of their staffs.

But provision for collection of from 85 to 90% of the personal income tax in the current year at the source will make a great difference to all concerned.

For the great majority of taxpayers it is going to mean that the tax—at rate far above anything ever before collected in Canada — will be paid before he receives his pay cheque. The income tax return will be required at March 31 as usual and it will adjust any unpaid balance or allow for other sources of income.

Do Government Bookkeeping

For employers the new system is going to mean more work and more trouble, added to an already heavy burden of government bookkeeping which comes on top of the company's own affairs. Already some companies are making a dozen or more separate deductions from each payroll, covering such things as war savings or victory bond purchases, pension funds, group insurance, unemployment insurance, national defense tax.

Collecting N.D.T.

Under the system worked out for the national defense tax, deductions were only made by employers for payments made to employees where complete control of all factors could be established. This meant, for example, that salary and wage payments, payments on drawing account and perhaps a few other methods were of such a character that the national defense tax could be deducted. For employees paid entirely on commission, where expenses were paid by the employee, no deduction at the source was possible as the employer did not know what expense allowance should be made. This limited the application of this system considerably and makes it evident that important adjustments will be necessary before the new tax can be universally collected at the source. Business hardly expects that complete collection will be possible.

Britain Uses System

It is not a new device, however. Great Britain has been collecting at the source for years. There is a "standard" rate of tax at present 50%, or 10 shillings to the pound

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Business Queries Ilsley On Working Capital

One phase of Finance Minister Ilsley's budget speech which has been greeted with earnest scepticism is his reference to working capital of industry. Even before the new tax schedules had been announced and when industry was making provision at last year's tax rates, there was evidence that demands on industry's cash were more than keeping pace with growth in this account.

Men interviewed by The Financial Post were not yet convinced of the Ilsley claim, but tended to regard the situation as an inevitable cost of war.

A recent study (The Financial Post, June 13, 1942) brought out the facts of what has happened to working capital. This examination showed that, while cash itself had gained 49% since the end of 1939, when allowance was made for higher bank loans and current tax provision, there was an actual decrease from the end of 1939 to the end of 1941 of 22% in net cash. It is this fact that suggests Mr. Ilsley may have underestimated the dangers of placing such heavy demands on business cash.

"Businesses in general no longer need to retain substantial amounts of their current profits for reinvestment in working capital and can afford to pay a large proportion to the treasury," stated Mr. Ilsley. He based this contention on knowledge that rate of business expansion will now be much less than it has been since the war started. For many civilian industries production and sales volume is more likely to decline than to expand and even in the field of war production Canada is approaching full capacity levels, maintains Mr. Ilsley.

The question raised is whether or not necessity of paying such heavy taxation—payments which must be made in cash—may not leave many businesses unable to do their share of carrying the burden of a full contribution to war and of switching back again to a peacetime status. Business, while recognizing that this is a real danger, appears to treat it generally as a part of the cost of winning the war, admitting that this comes first. At the same time, it is maintained that this strain on working capital is a real one, intensified by the fact that such a large proportion of the increases in working capital in the aggregate have been due to higher receivables and particularly higher inventories.

Talk Plan to Co-ordinate Employers and Key Unions

By STAFF WRITER

OTTAWA.—A plan for co-ordinating big employers of labor and key union organizations under the new Selective Service regulations is under consideration at Ottawa.

The object is to set up a plan whereby certain employers and labor groups would be licensed and given authority to administer the new channelling provisions of the Selective Service Act in the same way that the Employment Offices throughout Canada now operate.

At the moment, industrial employers in Canada are prevented from hiring any person, male or female, without the approval of a selective service officer in an employment office of the Unemployment Insurance Commission. What is envisaged is to extend this power of approval to employment offices of large (and possibly smaller) business firms and in this way take some of the load off the backs of the 115 employment offices throughout Canada.

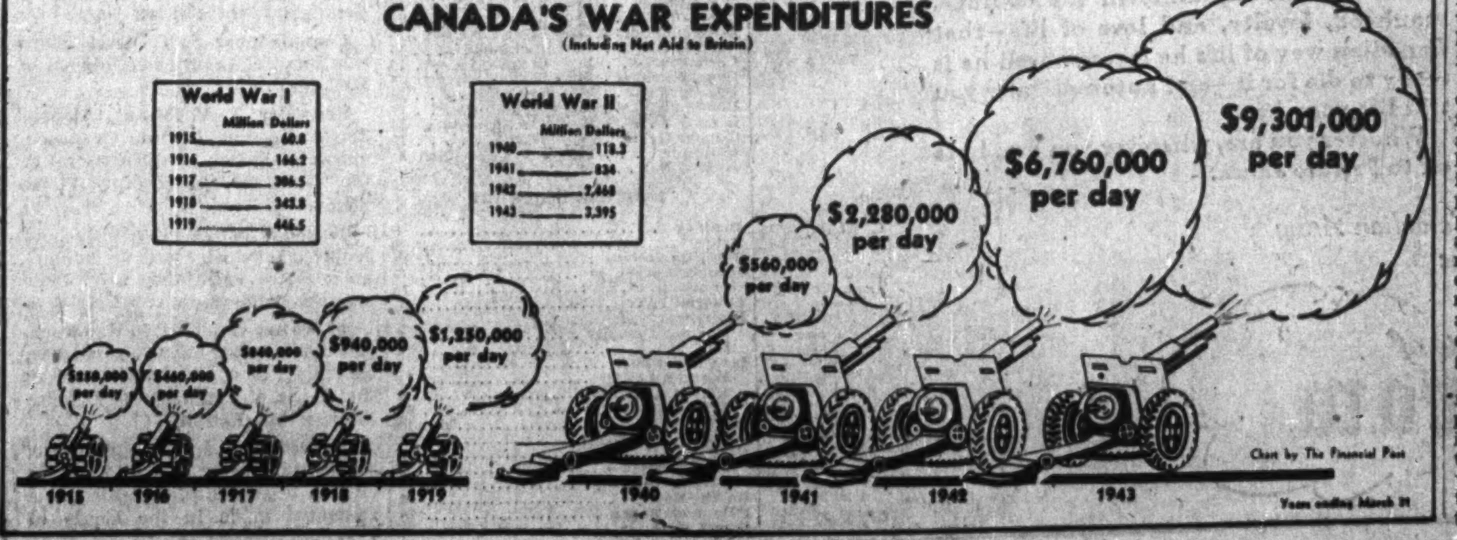
To do this would require in all probability that each of these offices be licensed, so that if any difficulty arose in administering the act, the Selective Service authorities at Ottawa would have power to withdraw the license and also to co-ordinate the work of individual employers with the general policy as laid down for the individual employment offices.

C. P. R. Cuts Down Debt to Ottawa

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway has repaid all loans made to it by the Dominion Government for relief purposes.

In addition, the company has paid the fifth instalment of $441,000 under the terms of a higher purchase agreement relating to certain equipment purchased by the government in the fiscal years 1935-38 at a cost of $5,730,000 and leased to the railway. The C. P. R. also paid the first instalment of $663,000 under the terms of a hire-purchase agreement on equipment purchased by the government in the fiscal years 1939-41 at a cost of $9,951,000 and leased to the railway company.



Army Needs Bring Man Power Crisis

July and August Requirements of 60,000 Men May Drain Many From Key War Positions — Major Decision Between Army and Munitions

By KENNETH R. WILSON

OTTAWA.—Expansion of army man power needs to 60,000 men during July and August is rated here as the most critical "pressure point" in the current man power crisis.

What is feared is that the big step-up in army draft plans now pending will have an adverse effect on war production.

During July the army "draft" requires 15,000 men. To meet this it is estimated that at least 90,000 men must be called. Thousands of these will be men in responsible and key positions in war industry. Many will be granted deferment; many will not bother to apply for deferment, even though they are doing important war work. All too often men who are granted deferment lose interest in their war industry job, believing that in a few weeks or months they will be in the army in any event. Morale and output are said to be definitely affected when a considerable number of employees are of draft age.

Exact number to be called up in August has not been determined though there is no expectation that it will be less than July and will probably be more.

The effect on war plants—especially in new war industries where a large number of younger artisans are employed—may be very serious.

These plans for drafting men into home defense units "for the duration" are in addition to voluntary enlistment. On top of the 40,000 which it is expected the army is planning to draft in July and August, a further 15,000 to 20,000 men will probably enlist voluntarily in the army —bringing the total requirement in the two months up to 55,000 or 60,000. The unexpected and spontaneous success which has greeted the "Army Week" is expected to bring a new flow of recruits into the general or active service ranks of the force.

Filling Two Divisions

Reason for the sharp and unexpected increase in number of men called up under the draft is probably due to the army's anxiety to fill the seventh and eighth divisions. When Col. Ralston made his statement on man power in the House he suggested that the monthly draft requirement would be in the neighborhood of 5,000 monthly. His statement on May 4 was as follows:

"I am making an absolute minimum of 5,000 a month under the National Resources Mobilization Act. There will always be enough to fill up the 15,000 (originally set down as the monthly army requirement of man power).

"But supposing," continued Col. Ralston, "there are 12,000 enlisted for general service in the month, I would still call up 5,000 under the NRMA."

Six weeks later the July draft was announced at 15,000 men or double the previous high mark. Average enrollment under the NRMA draft in the first four months of 1942 has been between 5,000 and 6,000.

Debates Point Problem

That the man power problem is rapidly moving to critical proportions is evident from the recent debates in Parliament. A few weeks ago Hon. C. D. Howe made it very clear that he challenged the wisdom of a steadily enlarging army programme if it could only be obtained at the expense of lowered munitions output. He stated, June 16:

"Having regard to the capacity for war production created and to

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May Ease Fiscal Load With Big Nest Egg

By STAFF WRITER

OTTAWA.—By far the most significant figure in the Ilsley budget last week was the phenomenal gain in government cash at the end of the fiscal year.

Because Mr. Ilsley was anxious to impress on Canadians the overwhelming size of the task that lies ahead, he purposely avoided mention of the fact that Canada had in the bank at March 31, 1942 something between $650 and $700 millions.

The corresponding figure a year ago was $348 millions. In normal years our cash on hand at the end of the fiscal year averages between $20 and $30 millions.

The exact cash balance is not as a rule disclosed in the budget speech. It is not until the Public Estimates are published that it is possible to find out exactly how much the government had left in the till when it closed its books. What the 1942 budget speech did disclose was an item under "Active Assets" labelled:

"Cash, working capital advances and other current assets $791,093,000."

Big Cash Holding

Reference to the March 31 statements of the chartered banks and the Bank of Canada shows that the government had cash on deposit at the year's end in these two places amounting to roughly $673 millions. Even this total is almost twice the amount at the government's credit a year ago.

Importance of the cash balance is indicated by the comment of Mr. Ilsley in concluding his budget speech. He stated that he expected to raise $2,050 millions in revenue and taxes plus $95 millions in refundable taxes. This left a "budgetary deficit" of $1,755 millions. He then said:

"After making full allowance for some reduction in our cash balances which were unusually large at the beginning of this year, for moneys available for investment from the Unemployment Insurance Fund and other special government accounts and for subscriptions from insurance and trust companies and other corporate investors, it is apparent that the balance which should be provided by individual purchases of war savings certificates and bonds is very

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B. A. Oil Gets Crude Supply

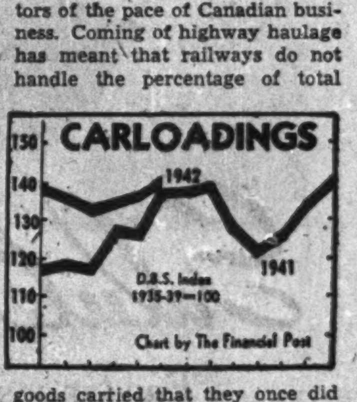
British American Oil Co. has arranged for an adequate supply of crude oil for all of its refineries with the possible exception of Montreal which is dependent on ocean tanker transportation, states W. K. Whiteford, vice-president. Present tanker accommodation for the Montreal refinery is inadequate, he adds, but the situation promises improvement.

Material modification of normal operations has been brought about for the petroleum industry in Canada. Production of aviation gasolene and other war supplies has been increased at the expense of other products. Further expansion for production of war materials is being accomplished by expansion in the new refinery at Clarkson, proposed conversion of part of the Moose Jaw refinery to make aviation gasolene and joint participation in the almost completed alkylation plant at Calgary.

In the United States, Mr. Whiteford tells shareholders, the company's well in Wyoming is producing 600 bbls. a day. Drilling operations have been started on two more wells in the programme to develop the 2,000 acres of leases owned on this structure.

Carloadings Test Quickening Pace Of Industry

Carloadings continue one of the most reliable and sensitive indicators of the pace of Canadian business. Coming of highway haulage has meant that railways do not handle the percentage of total goods carried that they once did but they dominate the long haul freight and the heavy and bulky materials are closely indicative of industrial activity.



Today, it is probably true that carloading figures underestimate the real rise in Canadian business activity due to the general campaign to encourage more nearly capacity loadings and the greater percentage of large-capacity cars used.

This index of carloadings computed by the Dominion Bureau of Statistics is actually only slightly above a year ago at June 13, a week when 1941 was near its peak. This year finds loadings on the eastern division at 131.4 comparing with 124.8 a year ago; the western division at 162.3 almost 10 points under a year ago, a period when grain loadings were particularly heavy; and merchandise loadings up slightly at 114.4 against 111.2

Hat News FROM EATON'S

Light Weight!
Crease-Resisting
Birkdale Presents
'THE CRUSHER'

Treat this new BIRKDALE 'Crusher' as rough as you like, yet it will come up smiling! Fine fur felt — seasonable light weight with bound or raw edge snap brim. Colours are airforce blue, Homer grey, light grey, cowboy brown and teakwood brown. Sizes 6⅝ to 7½.

Each 6.50

Main Store—Main Floor

T. EATON Co. LIMITED
TORONTO CANADA

Laidlaw & Co., New York stock exchange firm with offices in Montreal and Toronto, has taken over the business of Mackay & Co. Partners and staff of the latter company, which also holds a membership on the New York Stock Exchange, are joining Laidlaw & Co.

La Caisse d'Economie de Notre Dame de Quebec announces L. P. Turgeon, Quebec, has been elected a director, Mr. Turgeon is a past president of the Canadian Paper Trade Association.

Quebec Enters Bond Market

New $9.8 Millions Issue Refunds Temporary Bank Loan

From Our Own Correspondent

MONTREAL.—To refund a temporary loan effected to meet a maturity of $10 millions on March 1 last, the Province of Quebec is making a public offering of $9.8 millions of 3½% sinking fund debentures maturing July 1, 1957. These debentures, callable on July 1, 1955 at 100 on 60 days notice, are being offered through a syndicate headed by the Bank of Montreal and the Royal Bank of Canada at 99½ to yield over 3.54%.

The financial statement accompanying the official prospectus indicate, for the first time in several years, a reduction in the overall debt. At May 31, 1942, the adjusted statement, including the present bond issue, shows an overall debt of $418 millions, a decline of $8.3 millions compared with the figure reported at Mar. 31, 1941.

The comparative revenue and expenditure statement indicates an overall surplus for the year of $372,000. This contrasts with a surplus of $1,909,000 in the preceding year and with deficits averaging $39 millions annually in the years 1939 to 1941.

Army Needs Bring Man Power Crisis

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be created in Canada, would we contribute more to ultimate victory by reducing that production in order to make all men available for overseas service?

"I think there is only one answer to these questions in light of military requirements as I see them."

Subsequently both Hon. J. T. Thorson, Minister of National War Services and Hon. Humphrey Mitchell, Minister of Labor, supported the Howe view. They both expressed alarm lest the increased army demands adversely affect war production.

In reply Col. Ralston expressed the view that "gross" man power figures were misleading if they were interpreted to mean a lack of man power merely because everyone was employed.

The War and Business . . .

How to be Safe

Harry Guilbert, the safety director of the Pullman Company of Chicago, has drawn up 10 requirements which he believes every safety man should possess.

The curiosity of a cat; the tenacity of a bulldog; the determination of a taxi driver; the diplomacy of a wayward husband; the patience of a self-sacrificing wife; the enthusiasm of a jitterbug; the good humor of an idiot; the simplicity of a jackass; the assurance of a college boy; and the tireless energy of a bill collector.

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Salvage Backfire

Salvage of once-despised cotton waste and rags, which are so essential in dozens of manufacturing processes, has become so efficient that there is an acute shortage of rags in some parts of Canada.

So serious has it become in one war plant that the management has had to cut up brand new cloth for cleaning rags. But don't assume that salvaging is not good business—the nation-wide saving more than offsets the few isolated cases where waste shortage has proved embarrassing.

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Housing Problem

Canada's "career men" in the civil service face rather drastic problems when posted to the capitals of the warring nations.

Example is an Ottawa man recently posted to Washington. The only housing he has been able to line up is a "small" home—rental $350 per month. His salary—about $350 per month.

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Sic Transit Salesman

Signalling the man-power squeeze hitting with increased intensity at every phase of Canadian business was a letter received this week announcing: "Enlistments in the armed forces, release of experienced employees to war industries, gasoline restrictions and our inability to secure experienced salesmen, compel us to adopt rather drastic changes in servicing our customers."

The drastic change is that hereafter personal calls will be eliminated almost entirely, save on exceptional occasions. The telephone will be the new vehicle.

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Charting Power Flow

Ontario's mounting problem of power shortages is getting scientific study these days from the new "network analyses" installed about four months ago in Ontario Hydro's head office and built by Canadian Westinghouse. Only machine of its kind in Canada, this electrical marvel enables Hydro's planning engineers to reproduce in miniature existing or projected systems, find out what their characteristic will be and what type of construction is needed to do the job at hand.

It can permit huge savings through eliminating unnecessarily elaborate construction to provide for emergencies which could only be approximated by the mathematical calculations laboriously carried out in pre-"network analyzer" days. Jobs which might have required months can now be done in hours.

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Meter Readers on Bicycles

Incidentally, Ontario Hydro is putting its rural meter readers on bicycles to save gasoline and tires, having purchased 80 bicycles for the purpose. Hydro already has in force a system whereby rural customers read their own meters on three of the quarterly readings taken each year, filling in the results on special post cards which are mailed to local hydro offices. Statements are then mailed based on the customer's own reading. The fourth reading will then be done by Hydro's employees, mounted on bicycles.

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To Tame Hitler

New York Times reports that a new airplane engine plant which the Chrysler Corp. is expected to build in the Chicago area is described as "big enough to put the Ford Willow Run Bomber plant inside and have room for 20 baseball diamonds around the edges." $100 millions is the indicated cost.

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Still Need Freighters

It would appear that the airplane is still a long way from supplanting the ocean freighter or railway train as a freight carrier. Whereas an average cargo vessel might deliver 8,000 tons of material one month, a plane flying the same route would do well to deliver 150 tons in the same time, experts estimate.

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U. S. Priorities

Due to the United States government changing its system of rigid priorities on machine tools and other special equipment for war factories, to a policy of specified allotments, there has been some slight delay in filling orders from Canada in recent weeks. The situation, however, is rapidly clearing, The Financial Post understands and will again be normal in a short time. Practically all Canadian war plants have received an A-1-A rating on machine tools, the highest granted by Washington. This puts Canadian and American plants on exactly the same status with regard to machine tools.

The Council of the Town of Fort Frances would like to get in touch with any persons or firms looking towards industrial expansion. Good industrial sites are available on railroad and on Rainy River; power is available at reasonable rates; a thriving town of 5,500 centrally situated. Any one interested should write the undersigned for further information.

J. W. WALKER, Clerk,
Town of Fort Frances, Fort Frances, Ontario.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Provincial—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Quebec	June	Bank of Montreal and Syndicate	3½%	1957	$9,800,000	*99½	3.54%

*Offering price.

May Ease Fiscal Load With Big Nest Egg

(Continued from page 1)

large, perhaps as much as two thirds of the total."

What this has been interpreted to mean, and what Mr. Ilsley clearly intended to convey, was that individual investors must raise by war loans and certificates no less than $1,200 millions in the current fiscal year—or virtually twice the volume of individual savings in the previous 12-month period.

But had Mr. Ilsley disclosed at that time just how much cash he had in the till, the problem might not have looked so gigantic.

$900 Millions to Raise

Corporation and institutional investors in the last two Victory loans have contributed an average of $470 millions. The unemployment insurance "kitty" is good for at least $70 millions.

Add these together; assume the government will at least reduce its huge cash balance by $300 millions, and it becomes apparent that Mr. Ilsley is on his way to reducing his budgetary deficit by something like $800 or $850 millions without additional help from individual war savers.

This would leave not $1,200 millions for the individual war savers to achieve between now and March, 1943, but a total of something nearer $900 millions.

Much of the huge cash balance in the government till is due, of course, to the big contribution which individual savers made to the last Victory Loan. Some of this is being paid for by installment or payroll deduction plans which will not be completed for the most part by September.

The next Victory Loan is apparently scheduled for October. It will aim to continue and to expand the amount of monthly saving for Victory bonds. It cannot be earlier than September because these deduction plans will not have been completed by that time. If it is held later, the habit of regular saving will have been broken.

An October loan with another seven-month deduction plan, means of course that there will be only one Victory Loan in the current fiscal year. This will be the first real testing time of the new fiscal policy.

Meanwhile the sobered taxpayer may take some small consolation from the fact that Mr. Ilsley, like most good and thrifty bankers has got a nice big nest-egg in the national hatchery.

Windsor, Ont. reports current revenue in 1941 of $5.1 millions and current expenditures of $4.9 millions leaving a current surplus of approximately $200,000 last year. Of the 1941 tax levy of just under $4 millions, only $328,582 remained uncollected at the end of the year and total tax arrears were $661,433. The city has no floating debt or bank loans and its total bonded debt at the end of the year amounted to just under $32 millions against which there were sinking funds actually on hand of $2.6 millions.

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Consumers' Gas	2	N. S. Lt. & Pwr.	4
Dosco	11	Ottawa Light	11
Dom. Textile	4, 11	Union Steamship	10
Excelsior Life	11	Western Grain	11

MINES AND OILS

B. A. Oil	1	Inter. Nickel	14
Big Missouri	15	Kirkland Gold	14
Bralorne	14	Lake Shore	14
Buffalo Candn.	15	Little Long Lac	15
Central Pat.	15	Madsen	15
Cochenour-W.	15	Ontario Nickel	15
Cons. Smelters	14	Sherritt Gordon	14
Delnite Mines	15	Sylvanite	14
Denison Nickel	15	Teck-Hughes	14
Granby	14	Thompson-Lun.	15
Gunnar Gold	15	Yama	15
Hollinger	14	Young-Davidson	15
Hudson Bay	14		

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Royalty Owner Hit By Taxes

Now Rank Virtually as Shareholders in Tax Move Filling Court Gap

By STAFF WRITER

OTTAWA.—Under the new tax rulings the status of oil royalty holders has been changed from one comparable to that of a bondholder to something approaching a shareholder in a mining company. Prior to the new tax measure royalty cheques were paid before deduction of taxes, similar to bond interest. Now tax will be deducted at source, making oil royalty companies subject to both the regular corporation tax schedules and to the EPT, subject to the right of a depletion allowance. Save for some difference in the depletion allowance this is largely the situation with a shareholder in a mining company.

The new Section 11 of the Income War Tax Act which defines oil royalty companies as taxable corporations has been placed in the act deliberately to fill the gap by an Exchequer Court decision, according to tax officials here.

Under this decision, oil royalty companies were declared exempt from income tax in the same way that crown companies are exempt because they do not sell merchandise but merely manufacture it for someone else on a management fee basis.

Gap Filled Now

Now Ottawa has filled this gap by specifically declaring that oil royalty companies "organized for the purpose of drilling for and operating oil or gas wells whereby production belongs not to the company but to the investors in the property" are henceforth taxable under the Act.

No information is presently obtainable as to whether this type of firm would qualify under the tax exemption granted to new firms which come into production in the three-year period commencing Jan. 1, 1943. Income tax officials have not actually compiled a complete list of "strategic minerals."

Ontario Refunds At Big Saving

All Province of Ontario refinancing up to Mar. 31, 1943, has been completed on a total of $129.5 millions of bonds and treasury bills at interest rates that will mean a substantial saving in service charges to the province, according to Premier M. F. Hepburn.

Interest rates secured through the refinancing in Canada and the U. S. were appreciably lower than those carried by the maturing bonds. Last maturity on the list which is being cleaned up this week is a $19.9 millions 5% issue payable in New York and maturing Oct. 1. This issue is being refunded at 3%. Premier Hepburn has stated that there will be no new Ontario bond issues in the present fiscal year.

On the Record

Sphagnum peat moss which is essential in the production of magnesium has been placed under the jurisdiction of the Metals Controller.

B. C. shipyards employ 25,000 workmen.

Nylon and nylon products have been declared "supplies" under the jurisdiction of the Controller of Supplies.

W. F. Drysdale appointed Executive Assistant to Hon. C. D. Howe and also president of Machinery Service Ltd., a government-owned company employing skilled civilian refugees from enemy countries.

New installations of air-conditioning and commercial refrigeration equipment may be made only by permit. Such permits will be granted only for essential civilian requirements and war needs.

The number of doctors in Canada is approximately 10,500; or one doctor for 1,095 persons.

There were 23,480 Japanese in B. C. at the beginning of the exodus from the protected coastal area. Of these, 4,362 have been moved outside the province; 2,053 have gone to Alberta, 920 to Manitoba, 162 to Ontario and 862 have gone to various parts of Canada under special permit.

Canada's expenditures on account of present war have to date been over four times expenditure in same period of last war. They exceed by over $603 millions Canada's total expenditures for war and demobilization during whole of last war.

Commissioner S. T. Wood issues call for special service volunteers in R. C. M. P.

Brigadier J. V. Young, Deputy Master-General of the Ordnance, appointed acting Master-General of the Ordnance, succeeding **Victor Sifton.**

Boys over 16 now attending school required to register with an employment office when they start their summer holidays.

900,000 are employed in war work, of which number 150,000 are women, according to a statement made in the House of Commons by Defense Minister Mr. Ralston.

1,350,000 men are in agriculture, 300,000 in mining and 2,000,000 in civilian occupations, according to a statement made in the House of Commons.

HOLD HIGH THE TORCH OF FREEDOM

BANK CREDIT ESSENTIAL TO DEFENCE

Loans needed to further Canada's war efforts naturally have priority at the Bank at this time. However, commercial credits for normal constructive purposes are being supplied as usual.

The maintenance of a sound, smoothly functioning, normal-times economy is fundamental to national defence—and banking service has an important part in such maintenance.

No matter what your line of business, you are invited to discuss your financing problems with the manager of our nearest branch.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service... *the Outcome of 124 Years' Successful Operation*

A152

Source Taxation Proves Problem

(Continued from page 1)

sterling. Then there is the surtax, a graduated tax which applies to incomes over £1,500 annually. It is the "standard" tax which is deducted at the source with the surtax left for settlement by separate return on the part of the taxpayer. The taxpayer makes his return, showing his income and some time later is notified as to how much tax he owes which must then be paid.

In actual practice not even the "standard" rate of 50% is collected at the source. Allowances are made in the initial amounts of income which makes this 50% rate considerably more than is actually paid by the taxpayer. The latest British budget established certain minimum incomes exempt from collection of tax at the source. These weekly amounts are: £2 for the single taxpayer; £3 for a married man; £4 with one child and £5 with two or more children.

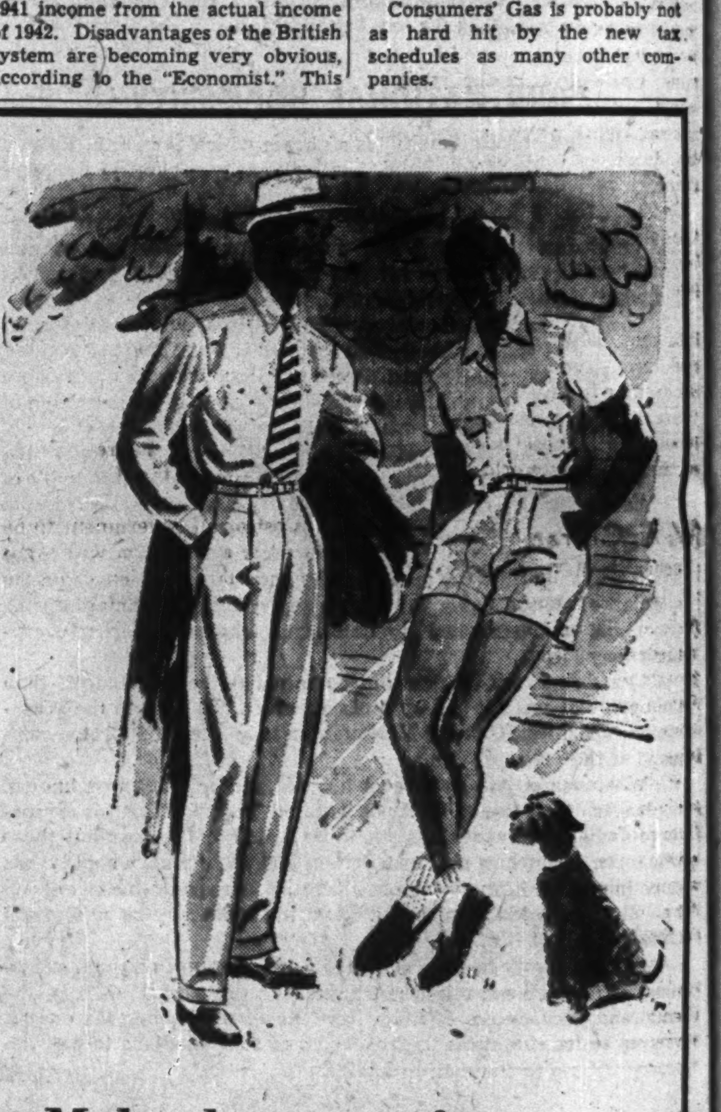
The British system of collection, moreover, means that collection at the source is made of the tax on 1941 income from the actual income of 1942. Disadvantages of the British system are becoming very obvious, according to the "Economist." This paper suggests that, if difficulties are developing under conditions of high income and patriotic motives for tax payments, then greatly increased troubles will likely develop after the war. "If there is anything in the nature of a postwar slump, the attempt will have to be made to collect tax on the high earnings of wartime from the low earnings, or zero earnings, or slump."

Consumers' Gas Sales Up 10½%

Consumers' Gas Co. of Toronto has averaged a 10½% sales gain in the nine months ended June 30, 1942, over the corresponding period of 1941, it stated. June sales were 11½% ahead of June a year ago, due mainly to steadily increasing requirements of war industry.

Shipments of coal from Lake Erie ports have been coming in on schedule. Assuming no breakdown in the arrangements, the company will have enough coal on hand at the end of the navigation season this fall to carry it through until the opening of navigation in 1943.

Consumers' Gas is probably not as hard hit by the new tax schedules as many other companies.

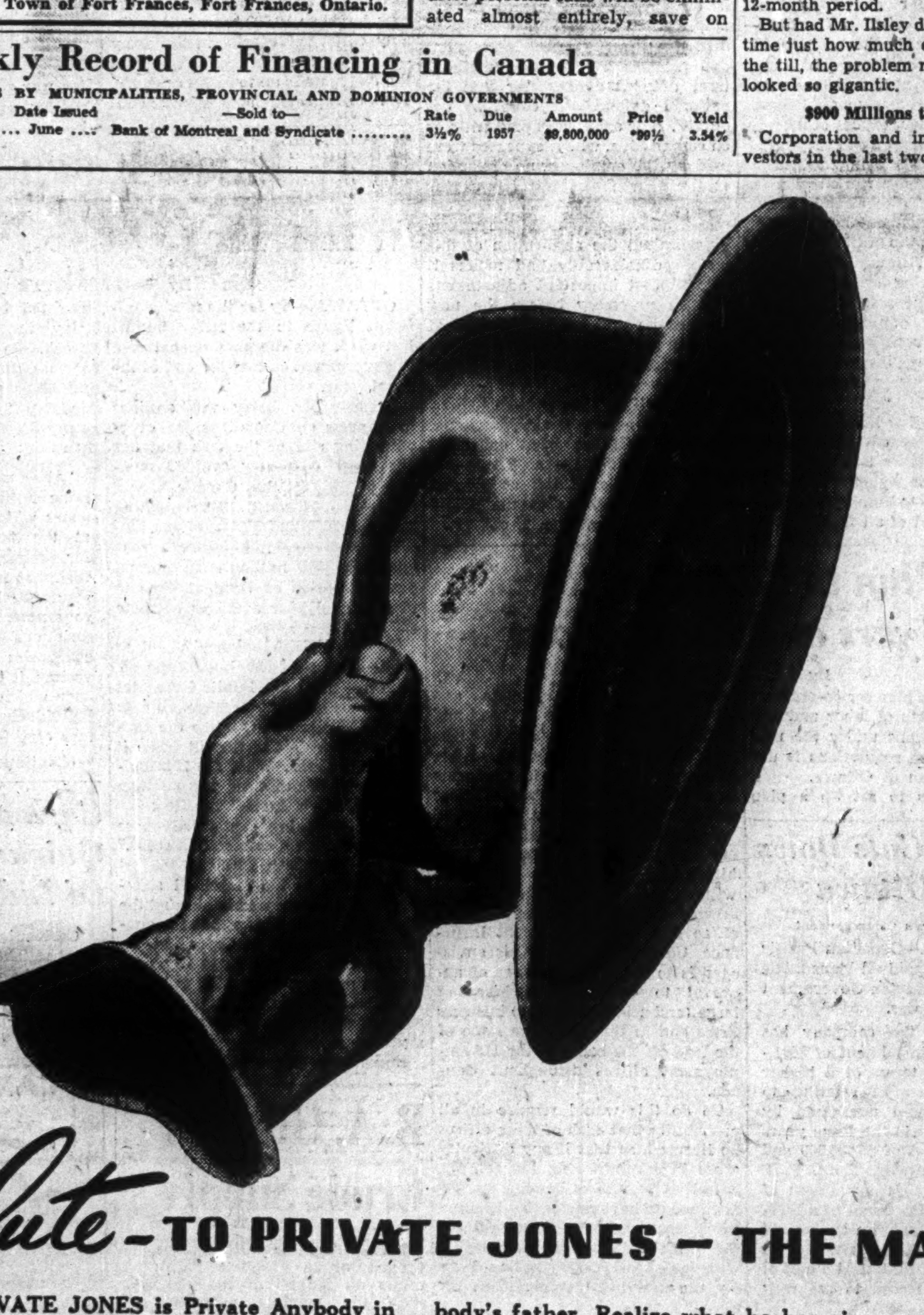


Make the most of time-out for relaxation . . . dress in cool, comfortable

WHITE

These days, more than ever, you should make the most of "time out" for relaxation — use sensibly every off moment so you'll come back on the job relaxed, refreshed, better fitted to the task. It will help to dress comfortably, to keep cool in lightweight, Summer clothes. See the many favorites in Summer's traditional white at the Store For Men.

Simpson's



Salute – TO PRIVATE JONES – THE MAN!

PRIVATE JONES is Private Anybody in the Canadian Army. Hats off to him!

You will be saluting a Canadian and a man—a man with the heart, courage and unselfishness to step away from his home and all that he holds dear to defend all that *you* and Canada hold dear.

Salute Private Jones, the man—somebody's son, somebody's husband, somebody's father. Realize what he has given up for you.

See beneath his uniform his courage, manhood, loyalty, and love of life—that Canadian way of life he loves so well he is ready to die for it—and automatically you will lift your hat.

Whoever you are, wherever you are, hats off to Private Jones.

A Tribute to the Canadian Army by the

House of Seagram

This week The Financial Post asks:

On Canada's 75th anniversary what four major national policies do you feel would most strengthen our confederation?

Maj. Everett Bristol, K.C.

Toronto District Commander, Canadian Legion, and well-known legal authority.

For four policies to strengthen our confederation my choice would be:

1. Disciplined democracy requiring a minimum standard of education to qualify for the franchise and compulsory voting.

2. Controlled capitalism to ensure that over and above a reasonable return to capital the profits of enterprise shall be distributed fairly for the benefit of the managers and workers engaged therein and the consuming public.

3. The preservation of peace, justice and liberty through adherence to the British Empire, ever closer co-operation with the United States, support of a real League of Democratic nations and the maintenance of adequate armed forces.

4. The encouragement and assistance of selected immigrants, particularly from British countries and the U. S. while at the same time cultivating mutual understanding with our French Canadian compatriots.

• • •

W. H. Brittain

Vice-president, Macdonald College, St. Anne de Bellevue, Quebec.

First, the establishment of a Dominion education bureau serving as a clearing house for educational ideas and methods and as an integrating agency between nine provincial departments could, without infringing on provincial rights or responsibilities, be developed into a powerful force for national unity.

Secondly, and supplementing the foregoing, a far-reaching system of adult education devoted to similar ends.

Thirdly, a constructive and enlightened policy of rehabilitation and reconstruction ensuring that all needing it have an opportunity to train for a job and that jobs are available for those needing them in the post war world.

• • •

W. A. Curran

Editor, Trail Times, Trail, B.C.

I feel that nothing would do more to strengthen the bonds of confederation than a sensible approach by the provinces and the Dominion to the recommendations of the Rowell-Sirois Commission.

While this apparently has been shelved until the post war period I think some steps should be taken to revive its consideration at this time that we might benefit from its provisions in the period of rehabilitation.

Unhealthy provincialism appears to be our greatest domestic enemy and we should dedicate ourselves to its elimination. Our whole national policy is wrapped up in this important document the provisions of which were not given even decent preliminary hearing at the Ottawa conference.

• • •

Harry P. Hodges

Associate editor, Victoria Daily Times, Victoria, B.C.

1. To foster that measure of national unity and understanding on which the permanence of confederation depends Canadians must accord greater tolerance toward viewpoints which "in many cases" are the products of racial tradition "environment" or economic limitations.

2. One of the major qualifications essential to all aspirants for membership in the Dominion House of Commons should be a knowledge of the entire Canadian scene as well as of their own bailiwick; only thus will it be possible to change the present circumscribed mentality which regards Ontario and Quebec as the whole of Canada.

3. Imperial re-examination of the federal tariff structure, involving primarily the adjustment of discriminatory freight rates, coupled with a practical recognition that North America must henceforth do business on a north and south as well as on an east and west basis.

4. One educational system for the whole of Canada instead of nine, in the interests of teachers and pupils alike, with especial emphasis on the privileges and responsibilities of Canadian citizenship. The teaching of both English and French should be obligatory.

• • •

George R. Inglis

Mayor of Niagara Falls, Ont.

1. Mobilization of all resources for an all-out war effort without the exercise of political power to retain possession of government control. The formation of a war cabinet composed of the best brains obtainable, irrespective of party affiliation, to retain our prestige among the United Nations.

2. Cost of all government to be reduced to a minimum with right of individual representatives to retain the liberty of offering constructive criticism in parliament, as in the parliament of Britain, without loss of party affiliation and pressure of predetermined caucus discussions.

3. Freedom of the press, freedom of speech and the right of private enterprise to produce without competition from publicly owned utilities through tax exemption, unscrupulous exploitation of national resources, and with respect to the rights of labor to maintain a decent standard of living.

4. A programme of national economy to control inflation, unfair taxation, reasonable return of agriculture, hospitalization, elimination of slum conditions and rehabilitation of men and women in the armed forces.

• • •

Wendell P. Jones, K.C.

Woodstock, N.B., chairman, New Brunswick old age pension board. Mr. Jones presented the N. B. government's case to the Rowell-Sirois Commission.

First, adjustment of freight rates to overcome the handicap in transportation costs now existing in all provinces other than Ontario and Quebec.

Second, closer co-operation between Dominion and provinces with frequent conferences.

Third, appointment of a non-partisan grants commission along the lines successfully operating in Australia.

Fourth, preservation of present status with the Empire, including retention of appeals to privy council and amendment of the British North America Act by the British Parliament.

• • •

D. A. MacGibbon

Member of Board of Grain Commissioners and authority on Canadian national affairs.

1. Implementing the recommendations of the Sirois report.

2. More newspapers with national rather than provincial outlook.

3. System of federal scholarships for the purpose of making possible interchange of graduate students between various provinces.

4. Creation of an advisory commission with proper scientific personnel to study the resources of such regions as that between Kenora and Sudbury and Northern British Columbia.

In connection with the latter I have in mind conservation of game, fishing, forest and mining resources. Mapping out of small farming areas, roads, trails and stopping places, with a view to attracting tourists. In general making possible an increase of population in such regions.

• • •

Paul Martin

Member of the House of Commons for Essex East and student of Canadian national affairs.

1. Implementing the fundamentals of the Rowell-Sirois report. This should involve, among other things, endowing the supreme court of Canada with final authority, making the parliament of Canada supreme in matters of undoubted national concern, particularly in social, economic and international questions.

2. Thinking, acting, speaking, writing and even singing at all times in terms of Canada. This would involve a rational loyalty to Canada ahead of all other political and cultural affiliations. This, of course, would have to be done in a manner not repugnant to the interests of the international community, which on a true analysis remain the interests of the individual nation as well.

3. Recognition of the rights of racial and religious minorities. This would call for an understanding by each group of Canadians of the point of view of the other groups. To this end there would be required readjustments in the school, college and university curricula. It would mean a greater interchange of Canadians. Above all it would involve an acknowledgment that there is richness in variety and poverty in uniformity.

4. A bold and active Canadian foreign policy representing legitimate Canadian interests framed in the light of obligations to other members of the family of states.

• • •

A. N. McLean

Saint John, N.B., well-known New Brunswick industrialist, head of Connors Bros., fish packers, former member federal employment commission and student of international affairs.

1. All-out war policy to be steadily strengthened and intensified by brawn and brain.

2. All unnecessary government expenditures to be 100% eliminated.

3. Necessary war expenditures to be spread out among provinces on as equal a base as possible. In other words proportional government expenditures in provinces should correspond with their proportional federal taxes.

4. The road democracy in Canada is to travel after the war should be paved now with plans to include the following: the full use of our wartime productive power for development of this great half continent; a fair standard of living for all willing to work and the prompt payment of our excessive public debts. The new freedom after the war should include the freedom to get a job; and a full realization that it does not take any super brains to provide work for the people of Canada.

• • •

A. P. Paterson

Former Minister of Education, Municipal and Federal Relations, New Brunswick government, and prominent Saint John businessman.

We should promote a unified, truthful education respecting the nature and objectives of Confederation and the powers and responsibilities of federal and provincial representatives.

2. Get back to the unique and strong federal governmental machinery devised by the Fathers of Confederation and make it function as intended to cope with the two nationalities, two legal codes and great diversity of interests.

3. Promote the development of national economy fairly regulated between the provinces with provincial authority regulating the distribution of wealth within each province.

4. Establish machinery to promote understanding and co-operation between the Dominion and provinces.

• • •

Austin C. Taylor

President of Bralorne Mines and outstanding British Columbia industrialist, in charge of recent Japanese evacuation of B. C. coastal areas.

I believe your question would be satisfactorily answered as follows: Proper application of conscription for a maximum war effort of all branches of endeavor including industries.

• • •

Major J. P. Simon

Retired army officer, and secretary Victoria (B.C.) Branch, Canadian Institute of International Affairs.

Policies should be based on the principle of interdependence of provinces. I suggest:

1. A national basic wage and social legislation on the principle of the right of men to live out their lives in freedom from want and fear.

2. Uniform educational standards throughout Canada emphasizing the duties and privileges of Canadian citizenship and fraternity of races inside our border with equal opportunity according to capability.

3. The raising of the standard of living of all workers in primary production to equality with industrial workers.

4. The prevention of all forms of private monopolistic control of any industry.

When replies run longer than as requested, and space requirements necessitate, The Financial Post exercises the privilege of condensing them.

N.I.A.A. DIRECTOR

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The officers of The Bank of Toronto cordially invite you to discuss your financial problems with them.

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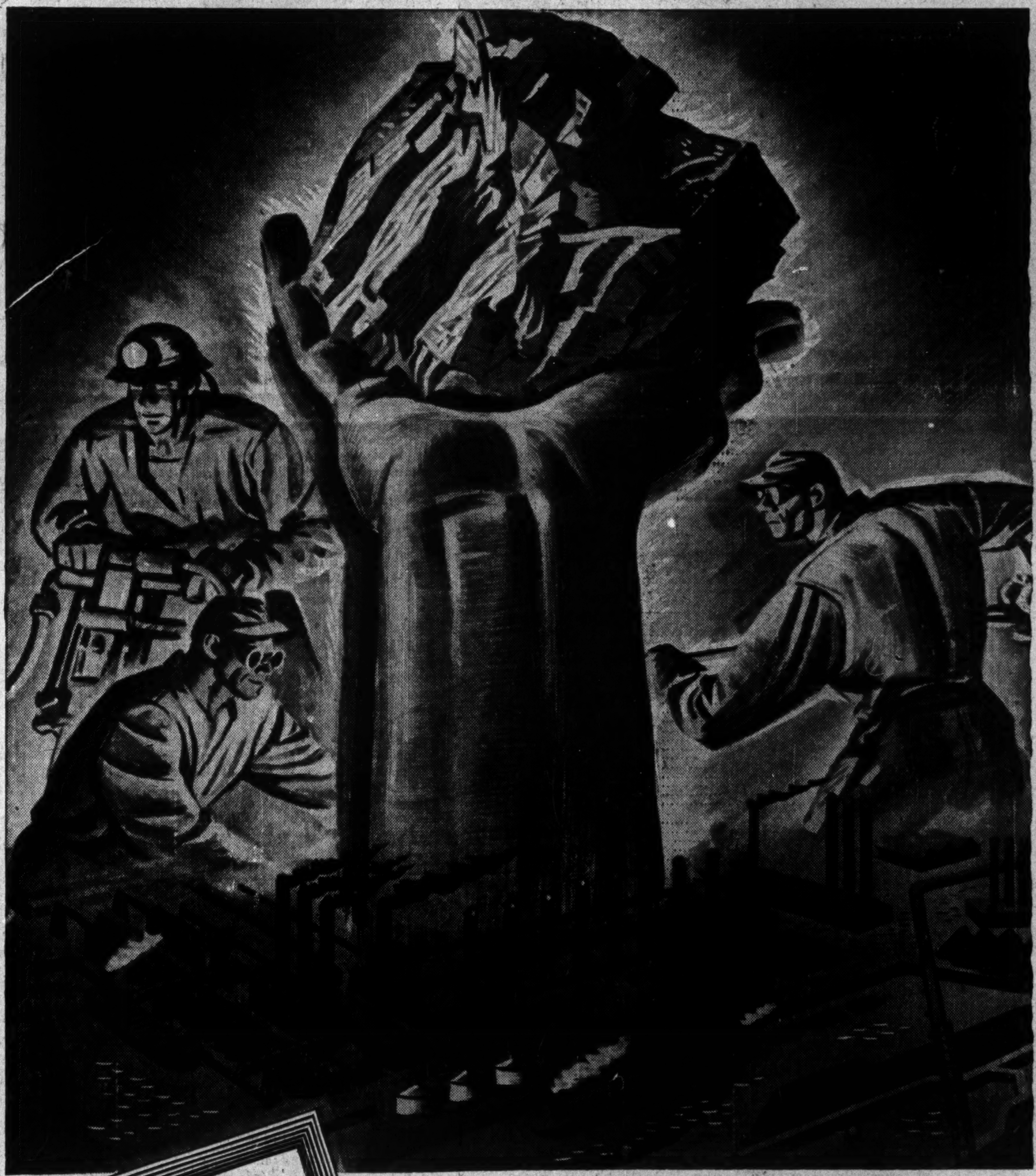

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Situate beside the locks through which pass 85 per cent of all the iron ore smelted in North America, Algoma assembles its raw materials both above and below the famous Falls of Sault Ste. Marie, from which its hydro electric energy is drawn, and delivers its finished products by rail and water up and down the Continent.

ALGOMA STEEL CORPORATION LIMITED

SAULT STE. MARIE, CANADA

JAMES DUNN, PRESIDENT

130 Stocks Meet Insurance Tests

23 Additional Stocks Listed This Year and Three Others Dropped

List of stocks eligible for investment by Canadian life insurance companies is growing steadily. Year by year as continued payment of dividends is achieved, more companies become able to meet the rigid standards established by insurance company law.

Under Canadian law preferred and common stocks which insurance companies may buy must meet certain stiff requirements. These companies can purchase:

1. Preferred stocks of any corporation which has paid regular dividends upon such stocks, or other preferred stocks ranking equally therewith or upon its common stocks, for not less than five years preceding the purchase.

2. Stocks of any corporation which are guaranteed by a corporation which has paid regular dividends upon its preferred or common stocks for not less than five years preceding such purchase, provided that the amount of stocks so guaranteed is not more than 50% of the preferred or common stocks of the guaranteeing corporation.

3. Common stocks of any corporation upon which regular dividends of at least 4% per annum or, in the case of stocks of no par value, of at least $4 per annum have been paid for the seven years next preceding the purchase of such stocks.

4. Not more than 30% of the common stocks and not more than 30% of the total issue of the stocks of any corporation shall be purchased by any insurance company. No company shall be permitted to invest in its own shares nor shall any life insurance company be permitted to invest its life insurance funds in the shares of any other life insurance company.

5. Total book value of investments in common stocks shall not exceed 15% of the book value of the total ledger assets of the company.

Add 23 Stocks

This year Cochran, Murray & Hay, Toronto brokerage firm has revised last year's list and added 23 new stocks. This brings the list of those considered eligible to 130 compared with less than 100 two years ago. Moreover, continued dividend payments to the end of this year will add six more preferred stocks to the list as follows:

Aluminium Ltd., 6% cum. pref.
Canada Wire & Cable, 6½% cum. pref.
Dominion Tar & Chem., 5½% cum. pref.
Stedman Bros. Ltd., 6% cum. conv. pref.
United Corporations Ltd., $1.50 cum. cl. A.
Zellers Ltd., 6% cum. pref.

From last year's list of eligibles, three stocks are dropped. Bulolo Gold Dredging and Dominion Coal both stopped payment of dividends, thus automatically moving from the eligible list. Shawinigan Water & Power Co. common is also omitted this year. The difficulty here arises in establishing the relationship between capital invested and dividends paid in recent years and is largely a question of available information being insufficient.

Neither Cochran, Murray & Hay, who prepared the list which follows nor The Financial Post suggests that mechanical applications of the tests required for insurance companies is sufficient in itself to determine whether or not a particular security is a desirable one to buy or to hold. Nor does inclusion of a particular stock in this list guarantee that it would prove acceptable to the Department of Insurance.

Test of Time

One thing that is proven for the stock included in this list is ability to continue paying dividends through long periods, a yardstick that merits careful attention on the part of investors. It is probably the most widely used and most frequently quoted single standard.

As a group, insurance companies added to their holdings of common and preferred stocks in 1941 although only moderately. A group of eight Canadian life insurance companies operating in Ontario, but excluding the Sun Life Assurance Co., held 45 of these stocks, 18 preferreds and 27 commons. They added to their holdings of 26 of these and decreased holdings of two.

The two lists, an abridged one of those stocks actually held by the eight companies and the longer list of those considered eligible, follow:

COMBINED HOLDINGS OF EIGHT CANADIAN LIFE INSURANCE COMPANIES OPERATING IN ONTARIO
(Exclusive of Sun Life Assurance Co.)

	— No. of Shares —		
Preferred Stocks	1941	1940	1939
Brantford Cordage	2,500	2,500	2,500
Canada Cycle Co.	1,650	1,650	1,500
Canadian Industries	5,541	3,621	2,076
Canadian Oil	800	800	800
Carnation Co.	2,012	2,012	2,052
Goodyear Tire	4,175	4,385	4,385
Int. Milling	12,784	12,374	12,464
Int. Nickel	500	250	750
Imperial Tobacco	37,800	37,800	32,000
Loblaw, A	15,575	15,455	12,755
Moore Corp., A	2,523	2,523	2,508
McColl-Frontenac	750	750	750
Provincial Paper	505	505	455
Steel of Canada	7,907	7,907	7,732
G. Tamblyn	1,817	1,817	1,817
Toronto Elevators	5,115	5,115	4,960
George Weston	955	950	950
Hiram Walker	25,080	21,350	*
Common Stocks			
Bank of Montreal	5,525	4,978	4,656
Bank of Nova Scotia	6,289	6,164	5,949
Bank of Toronto	6,085	5,995	5,457
Can. Bank of Comm.	8,006	8,006	8,006
Dominion Bank	4,499	4,399	4,236
Imperial Bank	4,900	4,900	3,658
Royal Bank	2,404	2,304	1,950
Bell Telephone	13,818	14,218	13,334
B. A. Oil	[illegible],800	54,800	51,800
Building Products	4,180	2,180	1,680
Consumers Gas	13,210	14,970	14,609
Fanny Farmer	6,600	7,600	6,200
Ford of Canada, A	2,990	900	nil
Imperial Oil	55,275	53,200	48,700
Imperial Tobacco	23,850	23,850	18,850
Int. Nickel	8,900	500	nil
Int. Petroleum	46,050	44,735	38,000
Montreal Power	35,850	33,300	26,930
Page-Hersey	2,750	2,750	2,400
Steel of Canada	8,863	8,748	7,663
Cons. Min. & Smelt.	8,990	6,290	3,950
Dome	6,600	4,000	2,200
Hollinger	8,200	1,500	*
Lake Shore	3,500	1,500	1,300
McIntyre	7,445	6,445	3,200
Noranda	9,475	8,975	5,900
Wright Hargreaves	29,000	12,400	*

*Not available.

Stocks Considered Eligible for Life Insurance Companies

PREFERRED STOCKS

	Par Value	Call Price	Dividend Rate	Approx. Price	Current Stk. yld. %
Agnew Surpass Shoe Stores Ltd.	100	110	7% cum. conv.	110	6.36
Anglo-Canadian Telephone	50	57½	5½% cum.	40	6.88
Assoc. Breweries of Canada	100	110	7% cum.	112	6.25
Ault & Wiborg Proprietary S. F.	100	103	5½% cum.	103	5.34
Beatty Bros., 1st A	100	110	6% cum. conv.	110	5.45
Beatty Bros., 2nd	100	110	7% cum.	90	7.78
Belding-Corticelli	100	n.c.	7% cum.	120	5.83
Brantford Cordage, 1st	25	26½	5.2% cum.	22	5.90
T. G. Bright and Co.	100	100	6% cum.	92	6.52
B. C. Power Corp.	n.p.v.	100	$2 non-cum.	19	10.52
Calgary Power Co.	100	105	6% cum.	101	5.94
Canada Bread Co.	100	110	6% cum.	102	5.88
Canada Cycle & Motor Co. S. F.	100	105	5% cum.	106	4.72
Canada Northern Power Corp.	100	110	7% cum.	85	8.24
Canadian Bronze Co. S. F.	100	105	5% cum.	106	4.72
Canadian Canners Ltd., 1st	20	23	*5% cum. part.	18	*6.67
Canadian Canners Ltd., 2nd	n.p.v.	20	*80c non-cum.	8¾	*9.14
Canadian Celanese Ltd.	100	n.c.	†7% cum. part.	125	†6.52
Canadian Cottons Ltd.	100	n.c.	6% non-cum.	118	5.08
Canadian Fairbanks-Morse Co.	100	n.c.	6% cum.	100	6.00
Canadian Industries Ltd.	100	n.c.	7% cum.	165	4.24
Canadian Oil Companies Ltd.	100	n.c.	8% cum.	115	6.96
Can. West. Nat. Gas, Lt., Ht. & Pr.	100	105	6% cum. part.	105	5.71
Capital Wire Cloth & Mfg.	n.p.v.	26½	$1.50 cum.	20	7.50
Carnation Company	100	105NY	5% cum.	121	■3.51
Catelli Food Products Ltd.	15	15	5% cum.	9	8.33
Commercial Alcohol Ltd.	5	6½	8% cum. conv.	6¼	6.40
Distillers Corp.-Seagrams S. F.	100	105NY	5% cum.	92	5.43
Dominion Foundries & Steel	100	105	6% cum.	107	5.61
Dominion Glass Co. Ltd.	100	n.c.	7% cum.	152	4.61
Dominion Textile Co. Ltd.	100	n.c.	7% cum.	151	4.64
Eastern Steel Products Ltd.	20	21½	5% cum. conv.	21	4.76
Goodyear Tire & Rubber, new S.F.	50	52½	5% cum.	50	5.00
Great Lakes Power Co.	n.p.v.	115	$7 cum.	105	6.67
Imperial Tobacco Co. of Canada.	£1	n.c.	6% cum.	7	4.17
Imperial Varnish & Colour	n.p.v.	30	$1.50 cum.	28½	5.26
Industrial Acceptance Corp.	100	105	5% cum.	70	7.14
Intercolonial Coal Co.	100	n.c.	8% cum.	125	6.40
International Bronze Powders	25	n.c.	6% cum. part.	22	6.82
International Milling Co., 1st S.F.	100	105NW	5% cum.	113	4.42
International Nickel Co. of Can.	100	120NY	7% cum.	130NY	5.38
Loblaw Groceterias Co., A	n.p.v.	50	▲50c cum. part.	20	6.25
Maritime Telephone & Telegraph	10	n.c.	7% cum.	17	4.71
Montreal Cottons Ltd.	100	n.c.	7% cum.	115	6.09
Moore Corporation Ltd., A	100	n.c.	7% cum. conv.	160	4.38
Moore Corporation Ltd., B	100	n.c.	7% cum. conv.	240	2.92
McColl-Frontenac Oil Co., S. F.	100	105	6% cum.	75	8.00
National Breweries Ltd.	25	n.c.	7% cum.	37	4.73
Nova Scotia Light & Power Co.	100	n.c.	6% cum.	108	5.56
Ogilvie Flour Mills Co. Ltd.	100	n.c.	7% cum.	151	4.64
Ontario Steel Products Co. Ltd.	100	n.c.	7% cum.	110	6.36
Ottawa Light, Heat & Power Co.	100	103	5% cum.	80	6.25
Penman's Ltd.	100	n.c.	6% cum.	122	4.92
Power Corp. of Canada Ltd., 1st	100	110	6% cum.	82	7.32
Provincial Paper Ltd., S. F.	100	107	7% cum.	103	6.80
Riverside Silk Mills, A	n.p.v.	30	$2 cum. part.	22	9.09
Rolland Paper Co. Ltd.	100	105	6% cum.	92	6.52
Russell Industries Ltd.	100	n.c.	7% cum. conv.	140	5.00
St. Lawrence Flour Mills Co. Ltd.	100	n.c.	7% cum.	122	5.74
Saguenay Power Co. Ltd.	100	105	5½% cum.	106	5.19
Howard Smith Paper Mills	100	110	6% cum.	99½	6.03
Southern Canada Power Co. Ltd.	100	n.c.	6% cum. part.	102	5.88
Steel Company of Canada Ltd.	25	n.c.	§7% cum. part.	69	4.34
D. A. Stuart Oil Co. Ltd.	n.p.v.	17	▲80c cum. part.	13	10.00
Supertest Petroleum Corp., B	25	27½	6% cum.	27½	6.03
G. Tamblyn Ltd.	50	52½	5% cum.	53	4.72
Tip Top Tailors Ltd.	100	110	7% cum.	100	7.00
Toronto Elevators Ltd.	50	52½	5¼% cum.	48	5.46
United Steel Corp. Ltd.	25	26½	6% cum.	23	6.52
Viau Limited	100	100	5% cum.	50	10.00
Tuckett Tobacco Co. Ltd.	100	n.c.	7% cum.	150	4.67
Western Grocers Ltd.	100	n.c.	7% cum. part.	112	6.25
Hiram Walker-Gooderham & W.	n.p.v.	20	$1 cum.	19	5.26
George Weston Ltd.	100	105	5% cum. conv.	92	5.43
York Knitting Mills Ltd., 1st	100	n.c.	7% cum.	105	6.67
York Knitting Mills Ltd., 2nd	100	n.c.	7% cum.	105	6.67

*1941 participating dividend 20c.
†1941 participating dividend $1.15.
▲1941 participating dividend 75c.
■After U. S. withholding tax but not allowing any premium.
§1942 rate $1.75 plus $1.25.
▲1941 participating dividend 50c.

COMMON STOCKS

	Par Value	High to June 1 — 1942 —	Low to June 1 — 1942 —	Approx. Current Price	Estimated Divds. 1942	Current Stock Yield %
Banks, etc.						
Bank of Montreal	100	189	180½	180	8.00	4.44
Bank of Nova Scotia	100	275	269	270	12.00	4.44
Bank of Toronto	100	255	228	230	10.00	4.35
Canadian Bank of Commerce	100	154	140	140	8.00	5.71
Dominion Bank	100	191	172	175	10.00	5.71
Imperial Bank	100	204	176	180	10.00	5.56
Royal Bank	100	155	146	148	8.00	5.41
Canada Permanent Mtge.	100	126	120	122	8.00	6.56
Central Canada Loan & Sav.	100	145	145	140	8.00	5.71
Huron & Erie Mtge. Corp.	100	55	46	53	4.00	7.55
National Trust Co. Ltd.	100	138	134	136	8.00	5.88
Ontario Loan & Debenture	50	110	108	110	5.00	4.54
Toronto General Trusts	100	76	63	70	4.00	5.71
Toronto Mortgage Co.	50	84½	68	75	5.00	6.67
Industrials						
Belding-Corticelli Ltd.	100	81	81	81	6.00	7.40
Bell Telephone Co. of Canada	100	150½	142	145	8.00	5.52
British American Oil Co.	n.p.v.	18	13	15½	1.00	6.45
Building Products Ltd.	n.p.v.	14	11½	13	.80	6.15
Canadian Cottons Ltd.	100	102½	102	102½	6.00	5.85
Canadian General Electric	50	215	208½	210	8.00	3.81
Canadian Industries B	n.p.v.	167	140	144	6.00	4.17
Canadian Westinghouse Co.	n.p.v.	42½	40	40	2.00	5.00
Consumers Gas Co. of Toronto	100	132	110	112	8.00	7.14
Dominion Bridge Co. Ltd.	n.p.v.	24	22	23¾	1.20	5.05
Dominion Glass Co. Ltd.	100	115	110	115	5.00	4.35
Dominion Oilcloth & Linoleum	n.p.v.	25½	22	23	1.60	6.96
Dominion Textile Co.	n.p.v.	82¼	72	75	5.00	6.67
Fanny Farmer Candy Shops Inc.	$1	22½	15	15¾	1.75NY	9.44
Ford Motor Co. of Canada	n.p.v.	17½	14½	17½	1.00	5.71
Goodyear Tire & Rubber	n.p.v.	60	31¾	35	2.50	7.14
Imperial Oil Limited	n.p.v.	9⅛	7¾	8¼	.50	6.06
Imperial Tobacco Co. of Can.	$5	12½	9⅜	9½	.57½	6.05
International Nickel Co.	n.p.v.	36¼	29	30¾	2.00NY	6.50
International Petroleum	n.p.v.	13⅞	11¼	11¾	1.00	8.70
Loblaw Groceterias Co. B	n.p.v.	23¾	18¼	19	1.25	6.58
Montreal Lt. Ht. & Power	n.p.v.	24	19⅞	21	1.50	7.14
Montreal Telegraph Co.	40	24½	20	23	*1.72	7.47
National Breweries Ltd.	n.p.v.	26	23¾	24	2.00	8.33
Ogilvie Flour Mills Co.	n.p.v.	22	20	20¼	1.00	4.94
Page Hersey Tubes Ltd.	n.p.v.	103	92	100	5.00	5.00
Penmans Ltd.	n.p.v.	48	47	47	3.00	6.38
Steel Co. of Canada Ltd.	n.p.v.	63¼	57	62	3.00	4.84
Mines						
Cons. Min. & Smelt. of Can.	$5	39	37	37	2.50	6.76
Dome Mines Limited	n.p.v.	17½	10⅜	13	1.60	12.30
Hollinger Cons. Gold Mines	$5	10½	6.65	7.90	.65	8.23
Lake Shore Mines Ltd.	$1	12	6.75	8½	.80	9.41
Macassa Mines Ltd.	$1	2.85	2.02	2.30	.35	15.21
McIntyre Porcupine Mines	$5	45½	36	39½	3.33	8.43
Noranda Mines Ltd.	n.p.v.	52	41	45	4.00	8.89
Premier Gold Mining	$1	.60	.35	.55	.08	14.54
San Antonio Gold Mines	$1	2.05	1.35	1.65	.20	12.12
Sylvanite Gold Mines	$1	1.98	1.10	1.45	.20	13.79
Teck-Hughes Gold Mines	$1	2.34	1.55	1.70	.40	23.52
Wright-Hargreaves Mines	n.p.v.	2.90	1.81	2.30	.40	17.40

*$3.20 before income tax deductions.
†After U. S. withholding tax but not allowing any premium.

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
	(Base 1935-39=100)											
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.0	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
1942: Weekly Figures:												
June 4	76.2	60.7	70.1	43.8	106.6	73.2	92.3	76.0	63.0	87.3	67.5	62.7
June 11	77.4	63.0	69.8	45.1	109.6	73.6	94.2	77.8	65.6	87.8	69.9	63.5
June 18	78.0	62.9	70.3	46.3	107.4	75.9	96.8	77.8	66.7	88.4	70.2	64.7
June 25	74.0	60.0	68.8	43.9	105.8	74.0	92.4	76.7	63.4	87.5	67.2	61.8

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
June 29	83.87	65.74	60.57	16.27
June 27	83.58	65.56	61.47	16.39
June 26	83.58	65.56	61.47	16.39
June 25	84.03	65.56	61.77	16.40
June 24	84.81	66.74	62.14	16.45
Month ago	83.54	66.50	62.57	16.13
Year ago	88.34	98.01	62.83	17.30
High 1942	93.50	83.71	71.01	18.86
Low 1942	79.85	61.04	60.57	16.00

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
June 29	42.5	56.1	51.5	55.32	41.73
June 27	42.7	56.2	51.7	56.02	42.24
June 26	42.6	56.1	51.6	56.22	42.58
June 25	43.2	56.4	52.0	57.26	43.80
June 24	43.8	56.9	52.5	58.82	43.26
Month ago	41.5	56.3	51.4	54.98	42.35
Year ago	44.5	55.2	51.6	60.17	69.54
High 1942	44.8	60.5	54.7	77.18	54.82
Low 1942	39.6	55.0	50.0	54.58	36.94

Urge No Delay Planning Post-war Rebuilding

Leisurely preparations for the postwar period are no longer wise, according to A. S. Mathers, president of the National Construction Council. Reporting to the annual meeting of the council, Mr. Mathers stated that the peacetime effort ahead is comparable to the war effort, a matter of grave urgency with perhaps too little time left for organizing to meet the problem.

Dangerous Boom

"It is the almost unanimous opinion of economists that the task of meeting the pent-up demands for civilian goods, not to mention the rebuilding of the war-damaged cities of Europe, will in the immediate postwar years cause a boom of considerable size. Such a boom if permitted to run an uncontrolled course would lead surely to an inflationary price rise with attendant labor disturbances and an inevitable collapse.

"It may be politicaly impossible to resist this sudden demand for goods and services and to prevent some kind of boom and consequent depression. All postwar planning must take this situation into account and preparation must be made to take up the slack when the normal spending spree abates."

Mr. Mathers paid tribute to the contractors who have provided buildings for the use of the armed forces and the production of munitions. "In volume the total amount of construction in the country has in no year since the war broke out approached the volume of 1929," he said. "However, a comparison of this kind is quite misleading, and would only be important if wartime construction was of the same nature as that of peacetime. The remarkable thing about the achievement of the industry is that it has produced such a prodigious volume of totally different type of projects than those that make up a normal peacetime programme."

Rails Streamline Their Services

New Order of Controller Limits Special Types of Passenger Service

From Our Own Correspondent

MONTREAL.—In order to assure maximum use of railway facilities for the transport of troops, munitions and supplies, T. C. Lockwood, Transport Controller, has issued an order cancelling and modifying the reduced rates on a group of special railway services.

Special tariff of reduced rates for agricultural exhibitions and major exhibitions will be continued until next Oct. 31, but no special trains will be operated for this class of traffic after July 31.

Round-trip party fares will be modified by eliminating the reduced rates for groups.

Coach excursions were cancelled April 12 and none have been operated since.

All special horse race services are cancelled after July 22. Other changes have been ordered by the Transport Controller designed to conserve equipment, motive power and fuel.

Abitibi Net Slumps 24%

May Earnings Well Below Year Ago But Five Months Total Still Ahead

Abitibi Power & Paper Co. reports net earnings in May of $569,749, a decline of $183,109, or 24.32%, from the corresponding month of 1941. This is the second successive month to show decline from the preceding year and indications are that June will continue this trend. For the first five months of this year, however, net earnings are $756,550 above a year ago, or 24.16%.

These monthly earnings figures are before income taxes, depreciation and interest. The latter is given as $255,249 for May including interest on overdue interest. Included in May, 1942, earnings is $152,145 received as premium on U. S. funds.

Estimated shipments of newsprint for June are given by G. T. Clarkson, receiver and manager, as 26,000 tons which would compare with actual shipments of 35,384 tons in June, 1941. This will bring shipments for the first half of 1942 to 207,790 tons as compared with 198,112 tons for the corresponding portion of 1941.

Shipments of bleached sulphite and groundwood pulp for June are estimated at 9,000 tons against 10,289 tons in May this year and 7,220 tons in June, 1941. For the first half of 1942 pulp shipments will total 60,520 tons against 40,014 tons in the first half of 1941.

Monthly Earnings

	1942 $	1941 $
January	1,023,703	476,993
February	803,988	517,915
March	840,567	687,520
April	649,566	695,728
May	569,749	752,858
5 mos. total	3,887,573	3,131,023

City Gas & Electric Power Income Tied Up

Quebec's Public Service Board has issued an order whereby all revenues received by the City Gas & Electric Corp. from the sale of electricity in its Yamaska Division, as from Feb. 2, 1942, will be deposited in special bank accounts in order to ensure payment for electricity delivered by Southern Canada Power Co.

The Board rules no payment shall be made from these special bank accounts except by cheque countersigned by a designated officer of the Board.

Ottawa to Explore N. B. Oil Shales

From Our Own Correspondent

MONTREAL. — In co-operation with the New Brunswick government, the Dominion government has undertaken a 10,000 foot diamond drilling operation in Albert County, N.B., where exploration of oil shale areas is being carried out. The examination was begun on recommendation of Oil Controller G. R. Cottrelle, and may be extended to Westmoreland County.

The Dominion government has set up a field laboratory at the scene of operations to assay and test oil shale and other specimens. Technical advisors from both governments are in the field.

Nova Scotia Light & Power Co. handled 17,363,700 passengers on its Halifax tramways system in 1941. This is by far the heaviest traffic ever handled and contrasts with 9,626,901 in 1939. Car mileage over the same period increased 517,000 to 2,452,300 and the number of cars in operation from 59 to 75.

Quebec Plans Water Storage

From Our Own Correspondent

MONTREAL.—In order to provide additional water for the generation of electricity, the Province of Quebec plans the construction of dams and other works on the Megiscane River, now flowing toward James Bay, to divert the water from that river into the Gouin reservoir on the upper St. Maurice River.

Under terms of the enabling legislation the Quebec Streams Commission will file its plans with the Dept. of Lands and Forest showing exactly what works are desired and what the probable cost will be, and then the Lieutenant-Governor-in-Council may authorize the work to proceed.

Contracts between the commission and the company or companies who will use the additional water will be submitted to the government for approval.

There is a provision added to the bill in view of possible nationalization of electricity in the province. It is to the effect that the lessees of the water to be utilized will not be entitled to the benefit of the increase and regulation of the flow of the Megiscane River, except in the event of their undertaking being acquired or expropriated, wholly or in part, by the province or by a public corporation formed by it for such purpose. In that event the lessees shall not be entitled to any increase in value on that account, but only for the real cost, less depreciation, the additional installations made to utilize the increased flow.

Province of Quebec—

3.54% Interest Return

The Province of Quebec for the fiscal year ended March 31st, 1942 reported an "overall" surplus of $1,500,000.

The funded debt per capita of the Province is the lowest of any Province in Canada, excepting Prince Edward Island.

New Issue—

Province of Quebec
3½% Sinking Fund Debentures
Due July 1st, 1957
(Callable on or after July 1st, 1955 at 100.00)
Price: 99.50 and accrued interest

Wood, Gundy & Company Limited

Dominion Textile Works For Ottawa

70% of Output Now For Essential Uses — Taxes Exceed Dividends

From Our Own Correspondent

MONTREAL.—Dominion Textile Co.'s war production at present is 11 times ahead of the mark set in 1914-1918, while 70% of the total output goes directly or indirectly for war and essential purposes, according to G. Blair, Gordon, president, speaking at the annual meeting.

One of the more important functions of industrial management in these times, he said, was to act as "conservator" for the government in seeing that monies received for the sale of goods were not dissipated in a wasteful manner.

Lion's Share to Ottawa

Along these lines Mr. Gordon said the government income in taxes was more than five times as much as the shareholders' income in dividends. Taxable earnings could have been much less if the greatest care had not been exercised in respect of all controllable expenditures. Taxes paid in advance to date amounted to $5.5 millions.

Speaking on the outlook for the company Mr. Gordon told shareholders that the raw cotton position was reasonably sound for some time to come, but the long-term situation was not within the management's control.

Market Opinions

Lack of action and record low sales volume appears to leave stock market students hesitant to accept strength of recent rise but still confident bottom of market has probably been seen.

Barron's, N.Y. (The Trader)—Despite all the obstacles in the path of profitable manufacturing and merchandising operations, and despite the reduced dividends already brought about by the threat of these uncertainties and the pending tax bill, the stock market has rallied unmistakably in the past two months. In digesting that rise it has lately gone almost dead. Tradition points toward revival following extreme dullness.

Magazine of Wall Street, N.Y.—Middle East war contingencies and possible Japanese moves constitute a powerful obstacle to renewed market rise at present. Pending further test of the market's ability to hold above the April lows, we would defer purchase and maintain a conservative reserve of cash.

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Reduced rates to July 11
Furnished Cottage to Let

"Papers" Pay Less To Stockholders

From Our Own Correspondent

MONTREAL.—Holders of pulp and paper securities have not fared so well this year in the matter of dividends. On stocks listed on the Montreal Stock Exchange and Montreal Curb Market, $4.3 millions was paid in the first half of 1942, as against $9.7 millions for the like period a year ago.

Dividend distribution on pulp and paper securities was sharply curtailed last month, payments totalling just under $1.4 millions as against $5.9 millions in June, 1941.

New York – Montreal Air Service Stays

Air service between Montreal and New York will not be seriously affected by the taking over of aeroplanes by the U. S. Army from domestic airlines, according to a statement issued by the Canadian Colonial Airways. New schedules put into effect by the company call for three round trips daily.

Timmins has set the 1942 tax rate at 55½ mills for public school supporters, a drop of one mill under the 1941 rate. The rate for separate school supporters at 67 mills compares with the 1941 rate of 71.98 mills.

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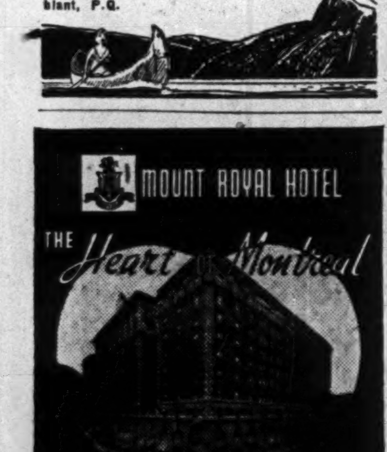
MOUNT ROYAL HOTEL



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Direction of VERNON G. CARDY

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BEAUMARIS, Lake Muskoka, Ont.

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Its Dining Room is a gathering place of discriminating folk.

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Berkeley

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FEATURES
in the JULY issue
THE CANADIAN CHARTERED ACCOUNTANT
- Directors, auditors and annual financial statements
- Frankness in financial presentations
- Canadian War Risk Insurance Act
- Tax exemptions for life insurance premiums
- Auditor's adventure in Norway at outbreak of war
- References to taxation
- Food rationing and coupon account records in Great Britain

Published monthly. $3.00 per annum. Subscription open to all. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

The Great West Saddlery Company Limited
WINNIPEG, CANADA

To the Holders of The Twenty Year First Mortgage Sinking Fund 6% Gold Bonds of The Great West Saddlery Company Limited due March 1st, 1948.

NOTICE IS HEREBY GIVEN that pursuant to the terms of the said Bonds and of the Deed of Trust and Mortgage dated as of the 1st March, 1928, made between The Great West Saddlery Company Limited (hereinafter called the Company) of the first part, and The Toronto General Trusts Corporation, Trustee, of the second part, the Company intends to redeem, and hereby calls for redemption, on September 1st, 1942, all its outstanding Twenty Year First Mortgage Sinking Fund 6% Gold Bonds, by payment of the principal sum of each such bond with a premium of five per centum of such sum and interest on the principal amount thereof accrued to September 1st, 1942, upon presentation, delivery up and surrender of each such bond for cancellation accompanied by all interest coupons belonging thereto which mature on and after the said September 1st, 1942, and together with all unpaid interest coupons, if any belonging thereto which matured on or prior to the 1st day of March, 1942.

Payment of the redemption price will be made at any office in Canada of The Canadian Bank of Commerce.

AND NOTICE IS FURTHER GIVEN that all interest shall cease to accrue as from September 1st, 1942, on all bonds, hereby called for redemption, which are not presented for redemption as aforesaid and delivered up and surrendered on September 1st, 1942, and on all such bonds in respect of which the holder thereof shall neglect or refuse to accept payment of such redemption moneys.

DATED Winnipeg, June 19th, 1942.
THE GREAT WEST SADDLERY COMPANY LIMITED.
J. C. BROADFOOT, Secretary.

What Price Ordinary Expenditures?

They Still Hit Hard at Canada's Pocketbook

For the next fiscal year Finance Minister Ilsley plans to spend some 10% more on "ordinary expenditure" of government.

Why is this 10% increase necessary—if it is necessary?

Is the Ottawa government imposing on itself the self-sacrificing economy which it asks of everybody else?

The figures never tell the whole story. They don't reveal waste of time in government bureaus, about luxury carpets or fat expense accounts.

Yet the fact remains that of 67 categories of public "ordinary expenditure" covered in the budget, only 21 items showed a decrease, mostly comparatively trifling in size. The remainder all increased, even the cost of public works.

Although most of the major increases in expenditures have been obviously for "uncontrollable" items, the score of 21 out of 67 does not appear particularly high for a government set on cutting costs.

Where the money for next year will go is shown only in very rough estimates. But here is where "ordinary expenditures" went for the 1941-42 fiscal year—and they were $53.3 millions higher than in the preceding year.

These figures reveal what is meant by "ordinary expenditure" and in some cases indicate whether the extra burden of war administration, increased business activity or any other acceptable increase is justified.

Here is where last year's increases went.

	$
Increased interest on public debt	15,091,000
Increased cost of loan flotations and annual amortization of bond disct. and commissions	10,126,000
Compensation to provinces under Dom.-Prov. tax agr'm'ts.	21,120,000
Increase in adminis. cost, Dept. of Natl. Revenue	1,201,000
Increased cost of unemploy. ins.	9,563,000
Less: Dropped special grants to provinces	5,475,000
Balance of increase	51,626,000

This table shows that over $25 millions of the increase in "ordinary expenditure" was the cost of borrowing and the cost of carrying an increased debt—both increases intimately related to the cost of war.

Another $15.7 millions was due to the rearrangement of subsidies and tax rights between Dominion and the provinces.

This item does not reflect an inevitably increased burden on the pocketbook of the citizen since it largely represents a book transfer of taxes from one authority to another.

This ties in with the new Canadian structure envisaged by the Rowell-Sirois report as does the $9.5 millions increased cost of unemployment insurance, representing the new Dominion contribution under the plan that went into effect last July.

Making up the balance is $1.2 millions increased administrative cost of collecting taxes, almost all of which can properly be charged to war account since war was primarily responsible for the tax increases.

"Uncontrollable" Costs

Government officials say that by far the greater part of ordinary expenditures is made up of uncontrollable and contractual items such as interest and other charges on the public debt, pensions, unemployment insurance, post office, subsidies and payments to provinces under the Dominion-Provincial taxation agreements. Of the $443.9 millions of ordinary expenditure in 1941-42 such items totalled $330.3 millions, or approximately 74% of the total.

For the 1941-42 fiscal year the table shows ordinary expenditures at $443.9 millions. For the 1942-43 fiscal year it is estimated that ordinary expenditures will amount to some $455 millions. But this latter figure contains no provision for payments to the provinces under the Dominion-Provincial tax agreement for which some $21.1 millions was provided in 1941-42. This figure will total around $84.4 millions so that actual ordinary expenditures for the current fiscal year will be in the neighborhood of $539.4 millions.

It might be noted that there will be supplementary estimates in the special expenditures category. This division includes the costs of unemployment and agricultural relief, Prairie Farm Assistance Act, wheat acreage reduction payments and prairie farm income payments. Last year these payments totalled $62.8 millions to boost civilian expenditures to $506 millions. On this basis of comparison this year's civilian expenditures seem likely to head toward the $600 millions mark.

All these so-called "uncontrollable" items, many of them legitimate wartime expenditures, account for some 74% of "ordinary expenditures" according to government calculations. That the Royal Canadian Mounted Police should get along in wartime without increasing their expenses by last year's jump of $467,000, or the post office not to cost us an extra $2.7 millions would clearly be to err on the side of optimism.

Automatic Economies

But there were also "uncontrollable" economies effected.

With fewer steamships in purely Canadian service, mail subsidies and steamship subventions could hardly be expected to hold their previous levels, dropped over $300,000 on the year and at $616,000 are only about one-third the 1937-38 level. War and military pensions, steadily declining as World War I becomes more remote and casualties stay low in World War II, were again lower by $1 million. The same held true for treatment and after-care of returned soldiers and the Soldier Settlement expenditures.

War has presumably had a hand in reducing old age pension claims and superannuation fund expenses as more oldsters stay in harness.

The air service branch of the Department of Transport might be expected to have less to do in wartime, with bush flying sharply reduced, Trans-Canada Air Lines and Canadian Pacific Air Lines becoming increasingly the main factors in air transport. Cost of operating this department dropped some $64,000 on the year.

Generally regarded as a "controllable" expenditure, public works cost the Dominion over $400,000 more last year than the year before.

DOMINION ORDINARY EXPENDITURES

	Fiscal Years 1930-31 ($ 000's)	1938-39	1940-41	1941-42
Agriculture	10,119	9,527	8,593	8,437
Auditor-General	416	473	453	456
Civil Service Comm.	343	379	397	401
External Affairs	928	1,057	1,013	1,055
Finance—				
Interest on public debt	121,290	127,996	139,179	154,270
Cost loan flotations	......	4,914	6,304	16,430
Subsidies to provinces	17,436	13,752	13,769	14,409
Special provincial grants	1,600	7,475	5,475	......
Other grants	778	643	530	533
Dominion Fuel Board	514	1,921	4,408	4,880
Civil pensions	1,476	638	500	445
Superannuation	......	2,220	2,316	2,347
Old age pensions	5,658	29,044	29,912	29,612
To provs. under tax agreement	......	......	......	21,120
Administration and sundry	1,794	3,689	3,508	3,513
Fisheries	2,435	2,036	1,618	1,684
Gov. Gen. & Lieut. Govs.	142	226	213	226
Insurance	178	194	176	180
Justice	2,538	2,748	2,711	2,658
Penitentiaries	3,237	2,675	2,717	2,786
Labor	797	788	826	763
Technical education	391	27	18	41
Unemployment Insur. Act—				
Administration	......	......	69	2,345
Government contribution	......	......	......	7,287
Annuity payments	......	......	111	661
Legislation—				
House of Commons	1,721	1,800	2,468	1,408
Library of Parliament	76	72	70	72
Senate	568	600	868	424
General	65	75	58	47
Dom. Franchise Office	......	50	......	......
Chief Electoral Officer, including elections	2,256	114	2,469	281
Mines and Resources—				
Administration	......	184	179	170
Interior	8,104	......	......	......
Immigration & colonization	2,588	1,335	1,273	1,287
Indian affairs	6,069	5,305	5,183	4,979
Lands, parks, forests	......	2,249	1,937	1,963
Surveys, engineering	......	1,325	1,114	1,175
Mines & geographical survey	1,420	1,340	1,173	1,153
Munitions & supply	......	......	9	12
National Defence—				
Administration	......	409	30	38
Militia service	10,953	15,772	(1)	(1)
Naval service	3,598	6,590	(1)	(1)
Air service	7,147	11,216	(1)	(1)
Sundry	1,928	447	168	231
National revenue	13,972	11,899	12,229	13,430
Pensions & National Health—				
Administration	......	118	133	137
Returned soldiers	9,774	13,453	13,402	12,733
Pensions, war and military	45,541	42,181	41,515	40,582
Health division	1,342	1,012	1,111	1,249
Post Office	37,892	35,456	38,700	41,495
Privy Council	54	49	54	54
Public Archives	212	159	126	123
Public printing	295	191	283	195
Public works	25,453	15,484	11,507	11,936
R.C.M.P.	3,192	6,145	5,554	6,021
Secretary of State	479	730	772	823
Soldier settlement	1,300	758	582	564
Trade and Commerce—	4,955	4,763	4,315	6,200
Mail & ship. subvents.	1,323	1,993	942	616
Can. Grain Act	2,356	1,847	1,908	1,909
Transport—				
Administration	(2)	371	334	364
Air service	(3)	3,457	3,478	3,414
Marine service	8,030	4,271	3,795	4,013
Travel Bureau	......	249	470	(4)
Railways, canals	4,479	4,371	3,527	3,697
Maritime Freight Rates Act	3,615	2,583	3,951	3,935
Railway grade crossing fund	......	187	126	25
Total ordinary expenditure	382,827	413,032	390,629	443,969

(1) Charged to War Expenditures.
(2) Prior to 1937-38, general administration expenses from other expenditures of the departments amalgamated to form the Dept. of Mines and Resources and the Dept. of Transport.
(3) Prior to 1937-38, expenditures on civil aviation were included under Air Service Branch of Dept. of National Defense.
(4) Included in National War Services.

Private Bond Issue For G. W. Saddlery

Redemption of the outstanding balance of Great West Saddlery Co. 6% first mortgage bonds Sept. 1 will be carried out partially through refunding by a private sale of a short-term bond issue and partially through sinking fund. At last reports there were $310,000 bonds outstanding with redemption price being 105 and accrued interest.

Bond Tenders

July 6, Dartmouth, N.S.—$19,600, 3½%, for water and sewer works as follows: $16,000, maturing in 1 to 13 years; $3,600, maturing in 1 to 8 years.

12 noon, July 2, Canada Treasury Bills—$45,000,000, dated July 3, 1942, payable Oct. 2, 1942.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Star St. Ldry.	6½%	1943	July 15	101
Paton Mfg. ..	‡4½%	1956	Sept. 1	103
Gt. W. Sad'y.	6%	1948	Sept. 1	105

‡$12,500.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

COST SYSTEMS

COST, Production & Inventory Control. L. W. Bennett, R.I.A., Cost Consultant, 37 Grand Ave., London.

POSITION WANTED

EXECUTIVE requires position offering wider scope and commensurate remuneration. Presently secretary large industrial concern. Experienced finance and management Scotland and Canada. Box 29, The Financial Post, Dominion Square Bldg., Montreal, P.Q.

CAPABLE BUSINESS WOMAN SEEKS OPPORTUNITY

Wide experience covering office management, public relations, advertising, personnel work. Excellent references. At present in Toronto but willing to go where opportunity offers. Box 31, The Financial Post, Toronto.

The Bondholder

Provincial revenues from the sale of liquor will probably be hard hit by the new tax imposition announced in last week's Dominion budget. The new taxes have meant a sharp upward revision of retail liquor prices, a step which will probably help cut down the volume of liquor consumption in Canada, particularly since the budget drains away personal revenue that might have been used for the purchase of such luxuries. However, this move was far from unexpected for in their latest budgets the provinces have made substantial provision against an anticipated drop in their liquor revenues.

Meanwhile in keeping with the general provincial policy of staying out of the market for new money, Quebec this week announced offering of $9.8 millions of 3½% debentures due July 1, 1957, at 99½ to yield over 3.54%. Proceeds of the bonds are to be used for the refunding of a $10 millions loan which matured last March 1.

• • •

Average interest rate on the Dominion's outstanding direct funded debt, including treasury bills, was 2.90% as at Mar. 31, 1942. In his budget speech Finance Minister Ilsley noted that this compared with 3.06% at the close of the preceding fiscal year and was probably the lowest average rate in the Dominion's history.

Mr. Ilsley reported that at the close of the 1942 fiscal year the gross unmatured funded debt (including treasury bills) of the Dominion outstanding amounted to $5,866,071,000. Other liabilities consisting chiefly of annuities, superannuation and insurance funds, Post Office Savings Bank deposits and various trust and contingent funds were outstanding on the same date to the amount of $742,949,000. Thus the gross liabilities of the Dominion totalled $6,609,020,000 as at Mar. 31, 1942.

On the other side of the balance sheet, however, the Dominion had active assets of $2,546,648,000, consisting of cash on hand and various active loans and investments. Deducting these net active assets from the gross liabilities a figure of $4,062,372,000 is arrived at, representing the estimated net debt of the Dominion.

The Shareholder

Budget changes have made fair-sized changes in stock prices. In a period when the New York industrials were declining fractionally and London industrials went down only slightly over a point, both Montreal and Toronto indices have shown relatively heavy losses, as the following comparison indicates:

Montreal

	Industrials	Utilities	Pulp & Paper	Golds
June 23	57.3	43.9	59.71	44.65
June 29	56.1	42.5	55.32	41.73

Toronto

	Industrials	Golds	Base Metals	Western Oils
June 23	85.43	67.43	62.42	16.46
June 29	83.87	65.74	60.57	16.27

• • •

Threat to earnings and dividends of the new tax schedules cannot be denied but in some cases preliminary estimates may have tended to make them out worse than actual.

Simpsons Ltd., for example, advises The Financial Post that had the new rates of income and excess profit taxes been in effect in 1941, the tax bill would have been approximately $1.4 million instead of just over $1.2 million as it actually was. This would mean that the company would have reported net profits of $829,000, equivalent to $7.37 a share on its preferred stock and permitting continuation of dividends at the 6½% rate.

Amalgamated Electric estimates that application of the new rates to 1941 earnings would have meant a tax liability of about $134,000 instead of $110,000 as was actually provided. This would have left $1.09 a share on the company's common instead of $1.25 a share as was actually earned last year and would have left the company in a position to continue payments at the 50-cent rate. This company has been granted authority under the excess profit tax to compute its standard profit on the basis of capital invested due to its depressed business during the base period.

JOINS ROGERS BOARD

R. H. Langlois, Toronto, who has been appointed secretary-treasurer of Rogers Majestic (1941) Ltd. Mr. Langlois has been assistant secretary and treasurer of Tip Top Tailors Ltd.

Body Rested Mind Content

That's the ideal combination for the busy man's holiday. . . . All your heart could ask for at Preston Springs Hotel, Canada's famous health resort . . . Rates $5.50 per day and up, including meals.

Folder on request. Phone, wire or write for reservation.

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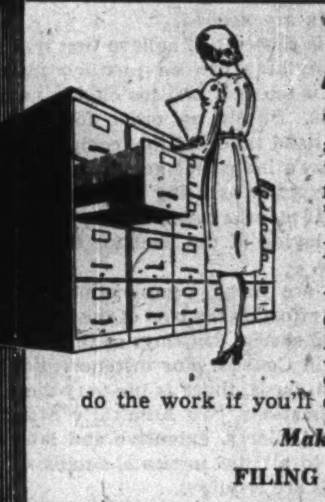


Muddling Through?

There's still a lot of people in a lot of offices who day after day, no matter how big the rush, just **muddle** through their work. You can't blame the worker for muddling. He can't do anything else but muddle . . . 'cause all he has are muddling tools.

But give him the equipment . . . the right filing facilities . . . a good record system . . . and see how everything will perk up, speed up and be cleaned up without muddling after hours or taking on more hands.

Perhaps this is personal . . . but are you doing right by our little Nell . . . and Bill and Jack and Nora. They can do the work if you'll only give them the tools.

Makers of "Tools of Industrial Control"

FILING SYSTEMS AND OFFICE EQUIPMENT

THE OFFICE SPECIALTY MFG. CO. LIMITED

Head Office and Factories: NEWMARKET, Ont.
Branch Stores in Canadian Cities from Coast to Coast

NEW ISSUE

$9,800,000

Province of Quebec

3½% Sinking Fund Debentures

To be dated July 1st, 1942 — To mature July 1st, 1957
(Callable on or after July 1st, 1955)

Principal and half-yearly interest (January 1st and July 1st) payable in lawful money of Canada in the Cities of Quebec, Montreal, Toronto, Winnipeg or Vancouver at the holder's option. Coupon debentures in the denominations of $1,000, $500 and $100. Debentures may be registered as to principal only. These debentures will be subject to redemption at the option of the Province as a whole but not in part at 100% of the principal amount and accrued interest on July 1st, 1955, or on any subsequent interest payment date on at least sixty days' notice.

Legal Opinion: Messrs. Holden, Heward & Holden.

In the opinion of Counsel, these debentures will be direct obligations of the Province of Quebec and will be a charge as to principal and interest upon the Consolidated Revenue Fund of the Province. The purpose of this issue is the refunding of a temporary loan of $9,800,000, effected to meet at maturity, on March 1st, 1942, a loan of $10,000,000.

A Sinking Fund of an amount equal to at least 1% of the face value of the outstanding debentures of this issue will be provided annually.

Particulars of the Funded Debt and other financial statistics will be found in the official prospectus which is available upon request.

PRICE: 99.50 and accrued interest yielding over 3.54%.

SUBSCRIPTIONS WILL BE RECEIVED SUBJECT TO REJECTION OR ALLOTMENT IN WHOLE OR IN PART. THE SUBSCRIPTION BOOKS MAY BE CLOSED AT THE DISCRETION OF THE PROVINCIAL TREASURER AT ANY TIME WITHOUT NOTICE.

IT IS EXPECTED THAT DEBENTURES IN INTERIM FORM WILL BE READY FOR DELIVERY ON OR ABOUT JULY 15th, 1942.

WE OFFER THESE DEBENTURES ON BEHALF OF THE PROVINCE OF QUEBEC IF, AS AND WHEN ISSUED AND SUBJECT TO APPROVAL OF COUNSEL ABOVE MENTIONED.

Bank of Montreal
Banque Canadienne Nationale
The Canadian Bank of Commerce
L. G. Beaubien & Co. Limited
Royal Securities Corporation Limited
Nesbitt, Thomson & Co. Limited
Collier, Norris & Henderson Limited
The Royal Bank of Canada
La Banque Provinciale du Canada
The Bank of Nova Scotia
A. E. Ames & Co. Limited
The Dominion Securities Corporation Limited
Wood, Gundy & Co., Limited
W. C. Pitfield & Co., Limited

Mills, Spence & Co., Limited
McTaggart, Hannaford, Birks & Gordon Limited
Kerrigan, MacTier & Co., Limited
René-T. Leclerc, Incorporée
Sweezey Securities Limited
J. C. Boulet, Limitée
Lagueux & DesRochers Limitée
La Corporation de Prêts de Québec
Hamel, Fugere & Cie, Limitée
Société Générale de Finance, Inc.
Garneau, Boulanger, Limitée
Desjardins, Couture, Inc.
McLeod, Young, Weir & Co., Limited
Savard, Hodgson & Co. Inc.
Cochran, Murray & Co., Limited
Bartlett, Cayley & Co. Limited
Harris, Ramsay & Company, Ltd.
Matthews & Co.
J. E. Laflamme, Limitée
Oscar Dubé & Cie, Inc.
Clement, Guimont, Inc.
Ross Bros. & Co., Ltd.
Société de Placements Incorporée
Crédit Anglo-Français Limitée
Comptoir National de Placement Ltée
P. E. Letourneau Inc.
Bell, Gouinlock & Co., Limited
Mead & Co., Limited
Harrison & Co. Limited
Midland Securities Limited
Gairdner & Company Ltd.
Dyment, Anderson & Co.
Greenshields & Co Incorporated
Burns Bros. & Denton, Limited
R. A. Daly Co., Ltd.
A. M. Ramsay & Company
J. C. Rogers & Company, Limited
Canadian Alliance Corporation Ltd.
Paul Gonthier & Compagnie Limitée

The statements contained herein are based upon information obtained from official sources but are in no event to be construed as representations by us.

June 29th, 1942.

The Editorial Page . .

Need It More Than Ever

After 75 years of confederation Canada still faces the same major problem which confronted the struggling colonies of 1867—the development of national unity.

Then as now we had two major races making up our population, races separated largely by language and religion, able to get along fairly well together in normal times, but liable to split on questions of national interest during a crisis.

Since the fathers of confederation finished their momentous work 75 years ago, we have, it is true, added other provinces to the Dominion, and have attracted millions of immigrants from all over Europe. The absorption of the latter groups into the general Canadian population has created some new problems, but on the whole the melting pot has been or is working fairly well.

With French and Anglo-Canadians, however, no melting pot was ever seriously contemplated, but only a union of two equal races under a common federal government. That point extremists on both sides have either failed to understand or have deliberately ignored. Each has claimed for its side special privileges. Each in times of tension has been too inclined to call the other names. Bad enough at any time, this attitude may prove fatal when the country is threatened by outside enemies. It creates an ideal atmosphere for the fifth columnists. Internal dissension was the real secret weapon employed by Hitler in Austria, Czecho-Slovakia, France and the neutral countries of Western and Central Europe.

On this, the 75th Anniversary of Confederation, Canada needs as never before leadership which can bridge the natural gulf between our two dominant races and get both working together in mutual respect and tolerance, toward a speedy victory.

Lay the Foundations Now

The best evidence of determination for victory is planning now for the peace. The best evidence that private enterprise is fulfilling its duty to society, that it is administering well the trust that is inherent in holding the reins of industrial capacity and productive skill is when such enterprises make plans **now**, determining directions **now**, for their activities in the post war world.

Admittedly in some lines of business this is extremely difficult; in some almost impossible.

But a noteworthy example of a company determining now where it wants to be after the war is Cessna Aircraft Co. of Wichita, Kansas.

This firm has recently started a major advertising campaign in which it sets out to establish now its position in the public mind as a leader in the post war market for private airplanes.

Cessna today is devoting its entire production to military aircraft and many of its ships are being used in Canada for aircrew training. Today it has absolutely nothing to sell to the public.

One current advertisement is headed "Here's a Bride's-eye view of tomorrow from her Cessna family car of the air."

There are no details of the product for even Cessna engineers won't know what changes the war may bring forth. But they call it "The Honeymoon Special of 194?" and they state "When Peace comes to America, Cessna will turn those facilities and an even richer experience toward building the Family Car of the Air that everyone can fly and buy."

Henry Ford put North America on wheels. This advertising programme may result in it being Cessna which puts North America in the air.

No government bureau created the motor car cheap enough for nearly all to buy. No government bureau will put nearly all of us into airplanes. It was private enterprise and farsighted advertising which gave us our high standard of living; which gives us now the assurance of victory. Tax restrictions on advertising which prevent the type of campaign in which Cessna is now engaged are not serving the war effort; nor helping make the kind of Canada most citizens are fighting or working for.

Do What We Can Do Well

Canada should concentrate her energies on building, as fast as possible, the things she is reasonably good at and stop dissipating her industrial brains, brawn, and capacity, on things which we find difficult and unfamiliar and for which our capacity limits our production to almost insignificant quantity.

Senator C. C. Ballantyne in the Senate recently urged that "the government stop this destroyer building business and put every man, every dollar and every ounce of energy possible into the building of cargo ships."

Cargo ships are certainly the big need. Canadians undoubtedly are proud that we are getting down to business on building two destroyers and certainly destroyers are needed.

But it is difficult to believe that building two of almost anything can be justified in 1942. Hand tailoring is too slow and too expensive for clothing the troops. Surely an order for two destroyers means a hand tailoring job, completely out of step with today's industrial genius, one of the biggest single factors in assuring us of ultimate victory.

It was 10 months between the placing of the order and the laying of the keel for the first Canadian destroyer.

There are many complications, much wasted time and effort on the part of the British Admiralty in making special drawings so that these ships can be built in Canada. For instance: For ships built in British yards, there is the very simple notation on specifications, "To Admiralty Standards." For Canadian builders, extensive and laborious directions as to all the intricate details of Admiralty Standards are required.

Much more realistic and co-operative planning between the U. K., U. S. and Canada is essential. Our contribution to the war effort will be greater if we do a smaller variety of jobs; concentrate on what we can do abundantly.

In these things, Canadian pride will be appropriate.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with postwar employment and relief problems.*

On This We Must Get Together

Canada and the United States should get together at once on a joint policy with respect to what shall be publishable information about the war, both on the military and on the industrial fronts.

Because of the amount of American reading and radio which comes into Canadian homes, and vice versa, it would be simply fatuous for officialdom to have different standards.

When Oliver Lyttelton, Britain's Minister of War Production was in Ottawa recently he said:

> "I feel that we have reached a stage in our production where we can safely make the figures more public and do it more often than we have been doing. After all, it is only sense that you conceal something which you do not want the other man to know, but I feel deeply that we have now reached a point where anything that he learns in the field of war production is only going to frighten him—and I have no objection to frightening him."

This is just the opposite point of view expressed —presumably as a considered opinion—by Joseph G. Clark, public relations chief for Canada's Army and Air Force. Mr. Clark recently said too much information about our war effort was being divulged; that less would be forthcoming in the future. The same opinion was expressed to a representative of The Financial Post by high military authorities in Washington.

The Lyttelton argument has much logic and he is in a unique position to know the facts. The sacrifices which citizens are having to make and the reasons the war is being fought make it very plain that the public should, if at all possible, know what it is getting for its money in the way of war effort.

It is to be hoped that Mr. Lyttelton's words have been well digested by officialdom. Not only has there been to date much confusion on what is and what is not suitable information on war production for the Canadian public, but, at times, profound lack of realism. Let the three countries reach a sensible and mutual policy and stick to it.

Budget for Bachelors

The need for cutting down civilian expenditures was a basic factor in the form of the new taxation.

An examination of rates raises the question whether that objective is being attained equitably.

Take the case of a single man with an income of $3,000. He pays $1,064 in taxes and has $1,936 left to spend. A married man with the same income whose living expenses are considerably heavier pays in taxes $884 and has left $2,116. The married man with two children, or three dependents in all, pays $668 in taxes and retains $2,332 out of his income. These figures include the refundable portion but that of course isn't available for spending now.

The married man, without children, has only $180 more to spend than the single person with no dependents. The married man with two children has only $400 more.

This surely puts the blessed in "single blessedness." Surely a wife should rate more than $180 difference; surely a wife and two children a difference greater than $400.

We knew Bachelor Mackenzie King kept a finger in most government pies, but didn't suspect him of much tinkering with the technicalities of tax rates. How did Husband and Father Ilsley have this slipped over on him?

Let Us Keep Our Heads

Avery Craven, an American historian, has just written a new record of the war between the North and the South, under the title of "The Coming of the Civil War."

He finds that the war was unavoidable. The war came, he points out, because a generation of well-meaning Americans permitted their short-sighted politicians, their over-zealous editors and their pious reformers to emotionalize real and potential differences. They conjured up distorted pictures of those who dwelt in other parts of the nation.

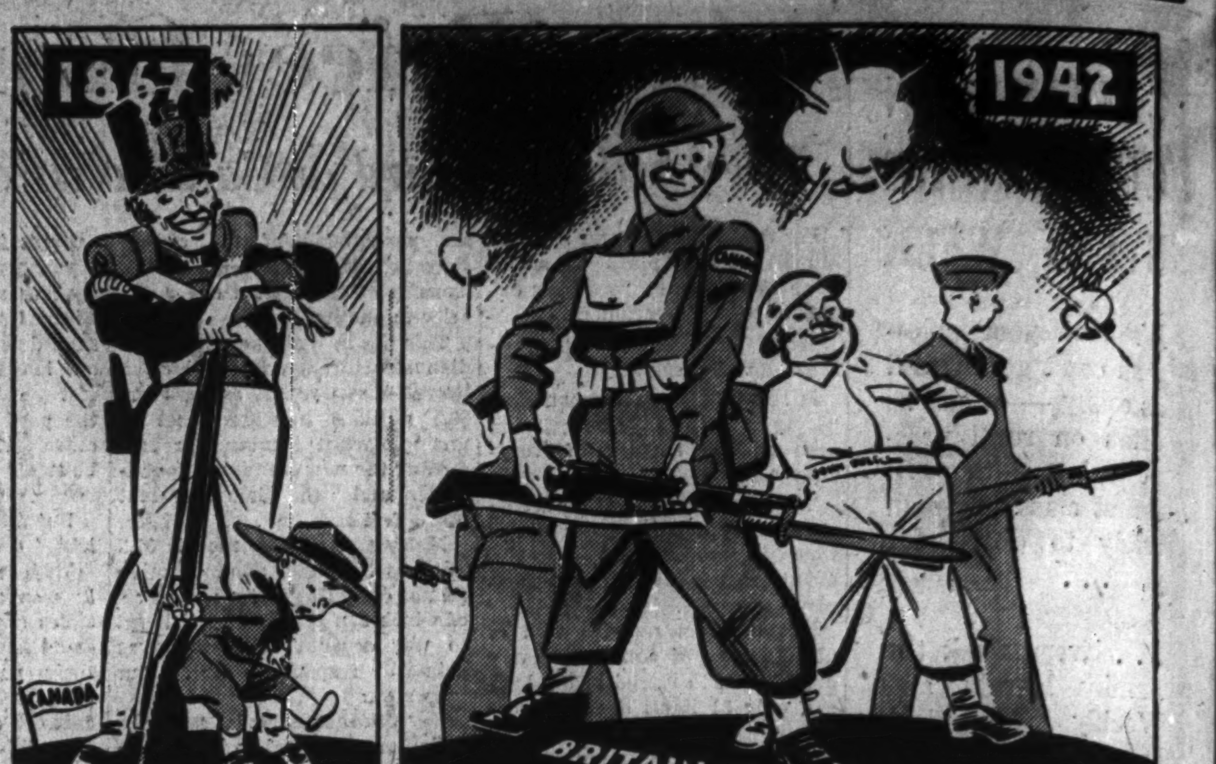
They created the fiction of two distinct peoples contending for the right to preserve and expand their sacred cultures. "Each side fought against mythical devils." Thus civil war came to the nation.

Isn't something like that happening in Canada today? Are not short-sighted politicians, over-zealous editors and pious reformers seeking to "emotionalize" the matters at issue between French Canada and English Canada?

There is dispute over conscription for overseas service, actually only one phase of the whole problem of mobilization of man power. Speaking generally, conscription has become to English-speaking people of Canada the symbol of an all-out war effort; to the French speaking people of Canada the symbol of the roughshod domineering of the English majority.

There is no reason to believe, as some people do, that Canada is inevitably facing civil war. There may be cleavage in Parliament, a split in the cabinet and regrettable disunity in the country in the face of a challenge from a common foe outside. There may be plenty of unworthy "leaders" of both races who are looking for enemies at home rather than keeping their eyes focussed on the common enemy without. These things are unfortunate and even very dangerous. But they need not and will not lead us into a permanent breach between French Canada and English Canada unless the extremists on both sides are allowed to dominate the discussion.

There are in both French Canada and English Canada enough people of statesmanlike proportions to enable a cabinet to be formed that would act with courage and resolution to resolve the present issues and enable Canada to get on with the war. At the moment the "short-sighted politicians," the "overzealous editors" and the "pious reformers" have the field largely to themselves. In the United States that led to a civil war that was never unavoidable.



Cartoon by Grassick.

QUITE A CHANGE IN 75 YEARS

Post-Scripts . . . .

The Busy Coynes

The Coyne family have been in the news twice recently.

First the announcement that Jim Coyne (at 32) had been named deputy-chairman of the Wartime Prices and Trade Board. Then a day or two later 23-year-old John had celebrated his birthday by joining the R.C.A.F. Both brothers have been in the government service. Both are Rhodes scholars. Their father is a leading Winnipeg lawyer—J. B. Coyne of Winnipeg.

JOHN COYNE

Jim Coyne started to follow his father in the practice of law. His Rhodes scholarship took him to England in 1931 where he studied at famous Lincoln's Inn. A friend who accompanied him around Europe on holiday hockey excursions reports that Jim was always by unanimous consent appointed treasurer of the team.

His flair for finance, even in those days, was such that he invariably came out on top in manipulating the various currencies of the countries which the team visited.

Back in Canada in his father's law firm young Coyne got an unusual opportunity when he was named assistant counsel on the Turgeon grain commission of 1936. From there he found his way to the Bank of Canada research department. Further experience with the Rowell-Sirois Commission and the stillborn Central Mortgage Bank brought him in line for an important assignment when the Bank of Canada set up its Foreign Exchange Control Board in the early days of the war.

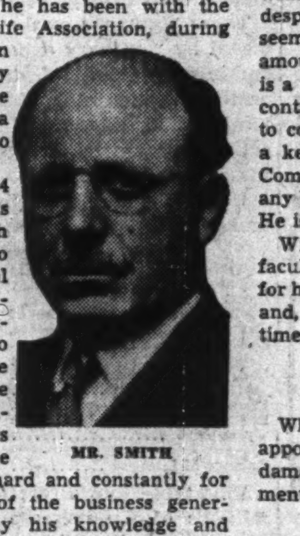
In March, 1941, he was loaned to the Department of Finance by the Bank of Canada and sent to Washington as Canada's first financial attaché. He was there when the call came to Donald Gordon to hold down the price ceiling. It was not long before Mr. Gordon had him back in Ottawa. Since that time he has been the chairman's right-hand man in fact if not in name.

Jim Coyne is something of a lone wolf —always has been. But his grain is crystal-clear and his capacity for work second only to that of his big Scots boss, Mr. Gordon. Together they make a shrewd, impressive team; together they take high marks for six months of price ceiling achievement.

Heads Institute

There are few better known figures in the life insurance business than Victor R. Smith, who has just been elected president of the Life Insurance Institute of Canada.

For 34 years he has been with the Confederation Life Association, during which he has seen both his company and life insurance in Canada as a whole grow to maturity.


MR. SMITH

In those 34 years "V.R." has advanced through different stages to become general manager and a director of his company. He has also been active in the affairs of the Canadian Life Insurance Officers Association where he has labored hard and constantly for the betterment of the business generally. Accordingly his knowledge and experience will be of immense value to the Institute, an organization devoted to training young men and women in the principles of life insurance.

Born in Port Hope 59 years ago, he won the Prince of Wales prize in mathematics at the University of Toronto. Graduating in 1905 he worked in an accountancy office until 1908, when he joined the actuarial department of the Confederation Life Association. In 1913 he became assistant actuary and in 1917 actuary. In 1932 he was made general manager and actuary and since 1936 has been general manager and a director. He has a string of 12 letters after his name to attest his actuarial attainments.

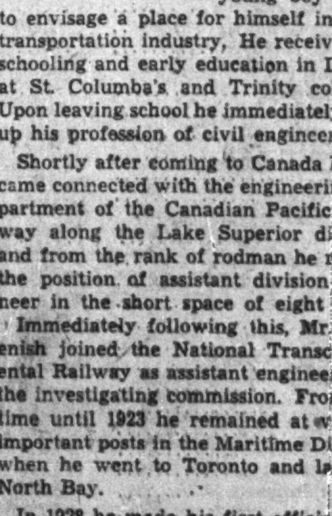
One of his chief interests outside life insurance has been the Canadian Club of Toronto of which he has been president.

Those who have worked with him say he never shirks responsibility or hard-work. Frank in speech, constructive in approach he can be depended on to give unstintingly of his best effort to the affairs of the Institute.

• • •

Boyhood Ambition

The story of a young Irish lad, whose ambition was realized and later crystalized in the announcement that he had been elevated to the vice-presidency of one of the world's greatest railway systems, is brought to light in the appointment of William Roberts Devenish as vice-president and general manager of the Canadian National Railways, Western Region.


MR. DEVENISH

Mr. Devenish was born in County Tipperary, Ireland, Nov. 21, 1882, and as a young boy began to envisage a place for himself in some transportation industry, He received his schooling and early education in Dublin at St. Columba's and Trinity colleges. Upon leaving school he immediately took up his profession of civil engineer.

Shortly after coming to Canada he became connected with the engineering department of the Canadian Pacific Railway along the Lake Superior division and from the rank of rodman he rose to the position of assistant division engineer in the short space of eight years.

Immediately following this, Mr. Devenish joined the National Transcontinental Railway as assistant engineer with the investigating commission. From this time until 1923 he remained at various important posts in the Maritime Division when he went to Toronto and later to North Bay.

In 1928 he made his first official visit to the west as general superintendent of the Alberta district, later moving to Winnipeg in charge of the Manitoba District. In 1936 he was promoted to be general superintendent of Transportation for the western Region and in 1939 was made general manager. His promotion to be vice-president is the culmination of a long and arduous trip up the ladder and the top was reached by determination and hard work.

Mr. Devenish is a keen student of transportation and more than that he "believes in his job." He knows his job, too, and this fact is very apparent in any railway discussion at which he is present. Thus, in his climb up the ladder, he has reached the position where he revels in the fact that he knows his own job, but he wants those associated with him to know their jobs too.

He is at his office desk early every morning and works through the day without a letup, except for lunch. But despite this very busy railway life he seems to find time to accomplish a great amount of outside work in addition. He is a firm believer in his community and contributes a large amount of his time to constructive community effort. He is a keen believer in the Red Cross, the Community Chest, the Navy League and any Victory Loan drive that comes along. He is very interested in church work.

With a charming manner, he has the faculty of making friends for himself and for his company. He wants quick answers and, above all, wants trains to run on time.

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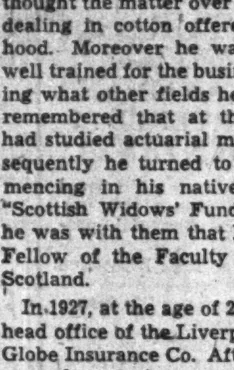
Cotton to Insurance

When James Matson, who was recently appointed supervisor of war insurance damage under the Dominion Government plan, graduated from Edinburgh University, he entered the cotton business. It was in the early '20's. At the time he thought cotton had a future. He went to Zurich and when the Ruhr business developed, the cotton trade quietly folded up.


MR. MATSON

James Matson might have gone back to Liverpool and continued in the cotton business. But he thought the matter over and decided that dealing in cotton offered a slim livelihood. Moreover he was not especially well trained for the business. In considering what other fields he might enter he remembered that at the university he had studied actuarial mathematics. Consequently he turned to insurance, commencing in his native city with the "Scottish Widows' Fund." It was while he was with them that he qualified as a Fellow of the Faculty of Actuaries in Scotland.

In 1927, at the age of 26, he went to the head office of the Liverpool & London & Globe Insurance Co. After holding down several posts he came to Montreal in 1938 as assistant manager for Canada of the Royal Liverpool Groups and was appointed manager on April 1 last.

When the Government wanted someone to supervise the new war risk insurance plan it turned to James Matson. With his training and connections he was considered the logical man for the job. So far he has been engaged in the preliminary work of setting up a method by which the government's plan can be worked. The creation of an organization comes later, after the government bill has been passed.

While the Act will automatically provide $3,000 insurance free of charge, the scheme will be much larger. The government will insure any individual or corporation for whatever amount is wanted over and above the $3,000 mark. This will entail the setting up of rates which, as Mr. Matson says, will have to be by "rule of thumb" as there is no actuarial experience to go by. The broader plan also will provide for the close working co-operation of insurance agents across the country. It will be Mr. Matson's job to bring them together in providing Canadians with adequate war risk insurance; a task for which he is well qualified.

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Other People's Views . . . .

The Canadian Editorial of the Week

Disgust and Disillusionment

Family Herald and Weekly Star (Montreal)

If the press censors in Ottawa find that the patriotism of Canadian publications, leaves them with too much time on their hands, there is a nice, dirty job waiting for them right on their own doorstep.

The last few issues of Hansard, in which Parliamentary debates are reported verbatim, deserve their very special attention.

No true Canadian can read some of the speeches on the amendment to the National Resources Mobilization Act without disgust and disillusionment. The amendment merely goes the minimum distance toward giving effect to the result of the Plebiscite. It does not put compulsory overseas service into effect, it merely removes the clause forbidding it. It gives the government the power which Canadians said they wanted it to have, by a 2 to 1 majority at the plebiscite.

This is a democratic country and no man should be denied the right to speak for or against this measure, and the principle behind it—whether in or out of Parliament. But the arguments used, and the tone of many of the speeches were a cruel blow to all who believe in democratic, parliamentary government.

From the Prime Minister's two hours of tight rope verbiage, to Mr. Cardin's brilliant oratorical illogicalities—from Mr. Coldwell's weighty discourse on everything but the point at issue to Mr. Cardiner's enunciation of the doctrine that the country must be subordinated to the party in a crisis, the debate as a whole deserved the censors' black ink—and plenty of it.

As Others See Us

War Profits

Owen Sound Sun-Times

Although the cry for "conscription of wealth" is not now as loud or as general as it was a short time ago, it is still being heard and the propagandists are trying, apparently, to make the people believe that labor is being unjustly exploited and that the solution is to conscript industry and confiscate war profits.

The sober fact is that "dey ain't no war profits." War profits simply do not exist after industry has paid its taxes; actually industry is serving the country practically on a no-profit basis. A special survey by The Financial Post provides the proof. It covers 146 companies, including most of the large industries engaged in war work and it shows that the 1941 taxes paid on income alone were actually greater than the net profits. Income and excess profit taxes amounted to $187,100,000, whereas net profits were only $187,000,000.

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Supreme Court and Politics

Charlottetown Guardian

The Conservative opposition is leading in the criticism of the Duff report (on Hong Kong). In 1916 it was the Liberal party that criticized a report on the work of the Shell Committee, drafted by Chief Justice Meredith of Ontario and Justice Duff. Then, as now, the basis of the criticism was that the report did not jibe with the evidence or with the facts.

This, says The Financial Post, raises a pertinent question: should Supreme Court judges be asked to deal with questions that are bound to become the subjects of parliamentary controversy? The question may be asked but is not easily answered. Where else are there to be found men better fitted by training and position to head such commissions: men who are less likely to be influenced by political considerations?

The Mail-box

Hon. Captain A. Kean is a well-known Newfoundland sealing skipper, was Minister of Marine and Fisheries in the Winter Cabinet, was member of the Legislative Council for the Monroe Government and was awarded the O. B. E. in 1934.

Editor, The Financial Post:

The question "Do you think Newfoundland should be invited to join Canada as tenth province?" has been answered by 27 persons in your valuable paper. And just what took place when that question was asked first in 1869 was that the people were divided. And the great minds that have tried to answer that question have been so evenly divided that the casual observer is unable to decide.

With your permission I would like to introduce a point that I have not seen hinted at by the 27 men who have preceded me. The greatest good that could have come to Newfoundland by joining with Canada, and the greatest good that Canada could have got by joining with Newfoundland would have been in 1869. The changes that have taken place since, over which neither country has any control, are all detrimental to both countries.

For example, the great Newfoundland airport. Had Newfoundland joined Canada in 1869 nothing could have prevented that airport from coming but it would have been a national monument only between Great Britain and Canada. Now it is international.

Third Party Now

What is more serious from my standpoint, I feel had we joined with Canada in 1869 we would have been only a part of Canada like the rest of the provinces such as New Brunswick, Nova Scotia and Prince Edward Island. Now we have a third party to contend with. I refer to the United States. In making that statement I do it with the greatest respect and admiration toward that great nation. To clarify my statement I quote the following from your paper, "Newfoundland wants outside capital to develop the Island's natural resources."

Some people feel that American capital and initiative will result in quicker development of Newfoundland than any arrangement with Canada. Since the American bases have been started, thousands of American soldiers and workmen have poured into Newfoundland. With them comes the glamour of high wages and new activity. There is no doubt whatever that there is more money in circulation today among the laboring classes than ever before in the history of the country.

"Were in Minority"

In 1869 many of the people in Newfoundland were fed on meal and molasses and still they voted against Confederation with Canada, and yet I think the best minds we had in the country at that time were in favor of Confederation. Unfortunately the best minds were in the minority. I was only 15 years old at the time but two things occurred that I still remember. Sir Frederick Carter, who was prime minister of Newfoundland (and afterward Chief Justice) was the confederate candidate. One day during the campaign, at Twillingate at an open air meeting he was hit by an egg on the forehead and the contents streamed down his face. Then wiping off the egg with a handkerchief and looking at the contents he said, "Thank heaven the egg is not rotten like your arguments." Thirty years after that happened the government of Newfoundland sent a deputation of 12 persons to confer with the Dominion of Canada on the question of Newfoundland confederating with Canada. They got a cold reception. After they came back, the government organ wrote a very spirited article referring to the 12 men who would not sell their country. The next day the opposition organ, which had in some way got on the inside track, came out in an article and referred to the 12 men we had sent up as "12 men who could not sell their country." Newfoundland is a hard country to sell. But I, personally, am anxious to sell it. Associated as we are in this great struggle against Hitler and all he stands for, with the help of Great Britain and the other Allied Nations, I feel we should take the attitude of that great man of old who said to his enemies when asked to forsake his friends, "I am engaged in a good work and cannot come down."

Win the War

Canada is helping us and we are in this great struggle with Canada. The most important thing that concerns us now is the winning of this war. After that, if Canada should wish us to join forces with her for the benefit of both countries, I think we should give it our best consideration. But our first consideration should be that Hitler and all he stands for is buried first face downward so that if he ever strives for liberty, the harder he strives the deeper he will get into the mire.

(The HON.) CAPT. A. KEAN,
St. John's, Newfoundland.

• • •

Stop Me If . . .

Having detailed a fatigue party to load a lorry with flour, the sergeant in charge went to see how they were getting on. They weren't.

"What are you fellows waiting for?" he shouted when he found them gazing expectantly at the sacks.

"'Sall right, sergeant," said the wag of the party. "Those sacks are all marked 'self-raising,' so we're just hoping."

Cutting the Costs in Canadian Business

Business Gets Behind the Drive

Simplification Moves Spread Through Structure

Over an increasingly broad front the industrial war of standardization and simplification is being waged. To cut costs so that price ceilings may be maintained and subsidy payments reduced have been the two main objectives of this programme.

While under the guidance of the Wartime Prices and Trade Board this programme is being largely sparked by Canadian industry itself. The men in the business know where they can best eliminate non-essentials while retaining quality and service.

Here are a few of the ways in which industry has spontaneously set a lead in frill killing.

Brewers in Quebec, for example, have found that consumers can get along without six-bottle cartons, and that even packages of a dozen pints are not really necessary.

Manufacturers of flour and cereal products have seen an opportunity to straighten out their business, give the same value, but get rid of a tremendous number of unnecessary frills. Flour packages have been cut from a dozen to only four, and some reduction in packages of cereals is forecast.

Bulk rolled oat containers had formerly been cut to three bags. Millers are contemplating curtailment of their own trucking services to reduce unnecessary expense, overlapping of operations and consigning of goods.

How To Pay Loans

One industry having from 700 to 800 items in 100 different styles, under price ceiling regulations and with higher wage agreements was operating at a tremendous loss. This business reduced its lines to 20% of former styles and patterns, liquidated its inventory in three months, and paid off a large part of its bank loan. Another plant is making less than 35% of its former assortment, but its dollar sales volume has not declined.

An aim of this programme is that utility of merchandise will not be lowered and that the consumer be protected. Manufacturers and retailers are being kept in business with the latter not having to carry such heavy stocks. In one case 1,259 items have been reduced to 12, reducing the cost of inventory and allowing the manufacturer to give better service.

Typewriters Follow Trend

Canadian manufacturers of typewriters are limited to 65% of their former sales, and then only to essential industries. Canada has to take care of the typewriter demand for a number of other nations, including Australia and India.

Typewriter models have been simplified; keyboards are down to two styles, plastic ribbon spools are replacing steel spools, and ribbon colors are limited to two. A conservation officer has been established at Ottawa to analyse the office machinery of government departments. All orders for civil service will go through this office.

Those in the business have generally welcomed these limitations. There are 250 small dealers selling used typewriters and repairing machines, and this order will help to keep them in business.

Metals Field Wide

In metals, the scope for noteworthy eliminations has been wide. One order recently banned the manufacture of 92 metal articles. Other reductions are understood to be on the way.

The hardware trade has offered a broad field for simplification. Some orders have been put through reducing the styles, sizes and designs of bolts and other lines. Other orders are being considered. In one line there were 126 types, with a price spread of 10 cents between various items. This has been reduced to 20 types without affecting the ability of anyone to buy one of the articles and get something in the price range they are able to pay. This retention of price ranges is another cardinal point in the programme which is working to retain low priced, medium priced and some higher priced lines despite the great number of simplifications.

Favor the Plan

As with other dealers, those in the hardware business are in favor of the simplification programme and some have suggested further reductions in various lines. Simplification assists wholesalers and retailers to operate with a minimum amount of capital while retaining volume of sales.

Cost to the public of a large range of items of the same products is tremendous. One simplification now being worked on will reduce an assortment of 25,000 items to less than 7,000. The number of sizes and styles of nails is coming down from 50% to 75%.

The electrical industry is a very important factor in the war effort, also a heavy consumer of vital metals. Indication of how this industry has grown is seen in the fact that in 1918 at the peak of the last war, the electrical output of Canada was 5½ billion kw. hours, in 1941 it was 32 billion kw. hours and it is possible that 1942 output may reach 50 billion. The electrical industry is dependent chiefly on supplies of four metals, steel, copper, aluminum and brass. A small motor is 40% steel and 30% copper. A large transformer may weight 625 tons, 340 of which are steel.

To keep the metal appetite of this industry down to a minimum, transformer ratings have been simplified, some sizes of motors have been discontinued, frills on electrical apparatus have been eliminated.

In the conveyor belt industry those firms using odd-sized shafting will have to be supplied with odd-sized bearings, but new installations are being standardized. Wood is taking the place of much metal in conveyor belt equipment.

Cut Bristle Use

Before the government's simplification programme got underway, Canada's paint brush industry had started on its own. A big driving factor in this move has been the fact that bristles, the industry's raw material, come 95% from China. To cut its bristle consumption the industry reduced its line of brushes by 33-1/3%, has since decided that it is possible to do more. An increase in the cost of bristles from $8.40 a pound to $12.60 a pound jumped the cost of production. If brushes were to remain under the price ceiling it meant $560,000 in subsidies. Thus another real incentive to cut costs has been added.

Colored handles on paint brushes have been eliminated, special stampings are out, all half-inch sizes in paint brushes have been eliminated. In household brushes the assortment has been cut from 50% to 75%. In shaving brushes, 48 types are now down to 13. Hair and tooth brushes are cut 50%. In mops there has been a standardization in the twine and styles have been cut 50%.

Each month some 2,000 trunks are manufactured in Canada. Desire for style has developed an immense number of types, but variety now being offered is reduced 50%. This industry uses many war-valuable materials including paint and varnish, cotton and silk, lumber, glue, rubber, leather, fibre, nails, etc. Small leather goods have been cut 50% in variety. Such simplifications help manufacturers to maintain their production.

Furniture De-frilled

The furniture industry has offered a similar broad scope for simplification with the number of styles restricted. An indication of how frills had grown up here is that a survey showed 325 kinds of occasional tables were being made. This has been considerably reduced. The number of casket styles has been cut by 50%. There has been standardization in the making of brooms of which some manufacturers had as many as 30 different styles.

For the wartime brooms there are no colored handles, velvet and paper slips have been eliminated as has the use of wire, metal caps and other frills which were of little value to the utility of the broom.

In simplification and standardization of furniture the guiding requirement has been that quality and utility should not be deteriorated.

In men's and boys' wear there have been several simplification moves. A recent order dealt with limitation of the number of styles, stipulating fabric conservation regulations in manufacture, eliminating the use of colored thread except in dark colored garments and specifying the way in which garments should be folded to use fewer pins.

Textiles in Lead

Textile industries have been in the lead in this programme. Among the first steps taken were the limitation of the number of shades in women's hosiery, stipulation of new materials, and setting up standards for rayon and mercerized products.

Through standardizing and simplifying a manufacturer of circular knit hose doing a business of about $750,000 a year made a saving of $25,000. Another smaller firm saved $4,000. Restrictions in this field concern only style and do not affect quality in any way.

These have been some of the steps that Canadian industry has taken, largely on its own initiative, to reduce cost and lower subsidy payments. Further steps along similar lines to keep business within the range of wartime economy are to be anticipated.

Some industries are giving consideration to pooling of operations while there have already been some instances of voluntary pooling. Concentration of manufacturing is being studied in the light of what is being done in other countries. So far greatest progress in this direction in Canada has been with those industries where the shortage of supplies has made it impossible for all to carry on. It appears likely that it will be some time before such a plan will have a more general application and if this should eventually take place the individual brand name of various companies will be retained.

The Week in Business

Business figures reflect the wartime character of Canada's industrial activity. The over-all picture shows gains continuing, although at rates less marked than this time last year. Reference to the regional breakdown elsewhere on this page, shows that three out of the five major economic areas showed gains but the other two were lower than for the month immediately preceding.

Department store sales in May at 140.5 compare with 148.5 in April and 129.2 a year ago.

Iron and steel output figures show large gains. Pig iron output in May reached 171,386 tons against 127,259 tons in the same month of last year. For the first five months this year, the rise is about 230,000 tons, or 40.5%. Steel ingots and castings are also up for May and for five months have achieved a gain of 230,000 tons, or 21.2%.

Electric power output in May was also above a year ago and for the year to the end of May is up 18.1%.

Cigarette consumption in May was about 120 millions greater than in May last year. For the first five months this year, a gain of 800 millions, or 22.4%, has been recorded.

LATEST FIGURES AND INDICES

New items this week marked ▪

	May	Apr.	Mar.	Feb.	Year Ago
The Financial Post business index	*168.5	168.0	168.2	169.2	157.1
Dom. war expend. (million $) ...	204.9	142.2	....	132.9	90.3
Dom. total revenue (do.) ...	333.9	170.8	....	109.7	224.4
Dom. total expend. (do.) ...	386.2	247.5	....	163.7	130.8
Retail sales index no.	....	155.7	161.4	154.7	135.1
▪Dept. store sales index no.	140.5	148.5	156.9	142.7	129.2
Wholesale sales index no.	....	154.5	155.1	136.1	141.6
Country store (% change pr. yr.)	....	+14.0	+13.8	+15.3	+13.3
Divd. payment index‡	120.9	121.0	121.1	121.3	120.4
COST OF LIVING—					
D.B.S. index	116.1	115.9	115.9	115.7	109.4
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	165.2	165.1	165.4	141.3
Manufacturing	....	199.4	195.7	191.2	158.2
Payroll (June 1/41=100) (b)	....	121.6	119.4	118.5	....
Payroll index (a) (1937=100)	....	186	191	178	156

		1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—						
▪Carloadings (week June 20)		66,121	64,889	1,571,863	1,431,248	+9.8
▪C.N.R. gross (week June 21)	$	7,192,000	6,008,000	159,057,000	133,872,000	+18.9
▪C.P.R. gross (week June 21)	$	4,8[illegible]8,000	4,204,000	113,957,000	93,930,000	+21.3
C.N.R. net revenue (May)	$	7,769,691	7,788,841	30,072,950	25,279,769	+18.9
C.P.R. net revenue (Apr.)	$	3,556,147	3,149,165	13,540,158	11,669,571	+16.0
IRON AND STEEL—(May)—						
▪Pig iron production (tons)		171,386	127,259	806,039	574,827	+40.5
▪Steel ingots and castings prod. .... (tons)		272,247	230,843	1,305,075	1,076,624	+21.2
AUTOMOBILES—(Number)—						
Passenger Cars:						
Domestic sales* .. (Apr.)		1,676	16,115	12,721	39,826	—68.1
Factory output ... (Mar.)		3,192	12,093	11,430	34,730	—67.1
Trucks and Buses:						
Domestic sales* .. (Apr.)		1,840	4,762	10,460	12,885	—18.8
Factory output ... (Mar.)		16,996	13,951	50,690	38,219	+32.6
Financing:						
▪Used .... (May)	$	1,839,637	6,906,661	7,795,467	23,180,166	—66.4
▪New .... (May)	$	473,228	5,272,038	4,845,483	18,922,008	—74.4
CONSTRUCTION—						
Contracts awarded . (May)	$	23,895,400	40,875,600	88,191,000	129,719,100	—32.0
Cement prod., bbls. (Mar.)		399,952	378,306	982,708	963,052	+1.9
AGRICULTURE—						
Flour prod., bbls. .. (Apr.)		1,960,900	1,660,897	6,908,582	5,777,126	+19.5
Flour exp. bbls. ... (May)		921,843	1,340,686	4,755,927	3,711,216	+28.1
Cattle sales▲ ...... (May)		72,939	80,191	432,270	393,622	+9.8
Hog sales▲ .... (May)		496,136	444,858	2,722,179	2,510,235	+8.4
SEA FISHERIES—‡						
Catch, cwts. .... (Apr.)		347,300	373,300	2,389,840	1,709,800	+39.8
Landed value ...... (Apr.)	$	1,318,000	1,068,900	3,587,300	2,786,000	+28.7
NEWSPRINT—						
Production, tons ... (May)		251,831	284,767	1,415,412	1,347,437	+5.0
Exports .... (May)	$	11,868,000	12,572,000	62,153,000	56,489,000	+10.0
MINING AND OILS—						
Coal prod., tons .. (Apr.)		1,511,872	1,232,801	6,749,256	6,059,162	+11.3
Coal import, tons .. (Apr.)		1,731,543	516,736	4,487,581	2,258,129	+98.7
Gold rec., fine oz. . (May)		393,710	448,436	1,971,493	2,134,248	—7.6
Crude oil, imp. gals.† (Apr.)		126,338	79,922	375,088	261,046	+43.7
ELECTRIC POWER OUTPUT—(May)—						
▪Total monthly, 1,000 kw.h.'s		3,174,764	2,806,394	15,569,184	13,172,325	+18.1
FOREIGN TRADE—♦						
Imports .... (Apr.)	$	141,946,063	106,268,419	548,514,620	402,264,731	+36.3
Exports .... (Apr.)		169,997,596	118,393,094	667,451,667	410,828,290	+62.5
OTHER INDUSTRIAL FACTORS—						
Dressed lumber exp.: 1,000 bd. ft. ...... (May)		172,854	152,756	701,305	782,052	—10.3
Shoes, prod., pr. ... (Apr.)		2,774,128	2,691,248	10,785,695	9,332,440	+15.5
Cotton consump., lb. (May)		17,054,741	16,502,650	84,656,640	82,704,476	+2.3
Raw rubber imp. lb. (Apr.)		17,023,133	5,669,217	38,523,612	36,901,434	+4.4
▪Cigarette cons., No.† (May)		771,478	654,333	3,848,212	3,143,561	+22.4
Sugar manufactured .. lb.§		90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—						
Bank debits† .... (May)	$	3,790,964	3,265,872	17,824,665	14,569,469	+22.3
Bond sales† .... (Apr.)	$	100,891	81,157	1,376,993	321,300	+328.8
Life insurance sales (May)	$	40,336,000	36,172,000	194,882,000	160,596,000	+21.3

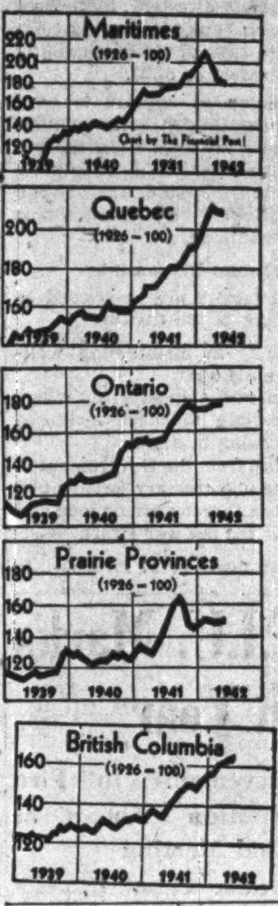
*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
‡Supplied by Nesbitt, Thomson & Co. *Preliminary.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

British Columbia Leads May Business Gains

Best gain in May this year is shown by regional business figures for British Columbia with a rise of 2½ points for the month. Ontario and the Prairies are up fractionally. Quebec is down less than a point but the Maritimes show a drop of 2.9 points.

A marked gain in insurance sales was a feature of the month. Electric output gained in Quebec, Ontario and British Columbia. Building permits were at a higher level in the Maritimes while contracts awarded rose in the Prairie provinces and British Columbia.

Five of the six factors available for British Columbia recorded significant gains over April while industries centred on Quebec showed recession in May. Minor declines were shown by boots and shoes and cotton textiles while newsprint production dropped sharply. Steel production in Ontario gained while livestock slaughterings declined.



Trend of Business in Economic Areas

	May 1942	% Change May 1941	April 1942
Maritimes:			
Constr. contr. ...... $	1,172,000	—46.3	2,528,000
Bldg. permits ...... $	398,000	—42.2	360,000
Life ins. sales .. $000	3,245	+26.8	2,709
Bank debits . $000,000	91.7	+20.8	85.6
Elec. pwr. . kw.h. 000	2,577	+1.7	2,733
Employment	156.7	+14.8	155.6
Index	183.8	+9.7	186.7
Quebec:			
Constr. contr. ...... $	7,212,000	—38.0	5,647,000
Bldg. permits ..... $	2,284,000	—54.5	3,084,000
Life ins. sales .. $000	9,850	+3.5	9,070
Bank debits . $000,000	1,065	+14.2	1,002
Elec. pwr. . kw.h. 000	39,390	+33.8	40,525
Employment*	177.9	+21.2	176.8
Raw c'ton consum. lb.	17,054,741	+3.4	17,863,317
Newsprint prod., tons	251,831	—9.3	284,767
Index	209.3	+21.5	209.7
Ontario:			
Constr. contr. ...... $	9,473,000	—57.1	10,513,000
Bldg. permits ..... $	3,772,000	—52.7	4,701,000
Life ins. sales .. $000	19,580	+20.0	16,690
Bank debits . $000,000	1,887	+30.2	1,895
Elec. pwr. . kw.h. 000	31,292	+14.4	31,584
Employment*	175.9	+12.5	174.8
Livestock slaughter.*.	194.3	+3.0	210.0
Steel production, tons	272,247	+17.9	264,983
Index	179.6	+16.4	179.3
Prairie Provinces:			
Constr. contr. ...... $	2,707,000	+9.0	1,871,000
Bldg. permits ..... $	1,404,000	—17.4	1,835,000
Life ins. sales .. $000	7,083	+45.0	4,816
Bank debits . $000,000	536	—15.3	537
Elec. pwr. . kw.h. 000	5,653	+7.2	5,814
Employment*	130.9	+5.5	127.2
Wheat receipts .. bu.	7,107,000	—78.2	6,389,000
Wheat prices**	79/2	+4.3	79
Index	150.8	+0.8	150.3
British Columbia:			
Constr. contr. ...... $	3,232,000	+33.5	1,954,000
Bldg. permits ..... $	697,000	—60.3	1,315,000
Life ins. sales .. $000	3,328	+38.8	2,393
Bank debits . $000,000	220.4	+20.3	214.2
Elec. pwr. . kw.h. 000	6,811	+4.4	6,934
Employment*	158.8	+19.7	149.6
Index	166.5	+15.6	164.1

*1926=100. Employment statistics apply to the preceding month.
**Cents and eighths of a cent per bushel.

Commissioner Named for Nfld.

Reopening a post closed since 1930 Canada is sending R. P. Bower as Trade Commissioner to Newfoundland. Mr. Bower will work under the general direction of Hon. C. J. Burchell, K.C., High Commissioner for Canada in Newfoundland.

He has had 12 years' experience with the commercial intelligence service and has previously served as assistant Canadian Trade Commissioner in Rotterdam, Batavia, Java, Auckland and Sydney.

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The Budget and Life Insurance

Should Compulsory Savings Regulations be Broadened?

By D. G. MACLEAN

By recognizing life insurance premiums as an alternative for part of the amount levied under the compulsory savings feature of the budget, Hon. J. L. Ilsley paid high tribute to life insurance as a form of saving which was of importance to the nation and to the war effort. Payments to pension plans and mortgage principal payments were also included.

But the recognition only of life insurance premiums paid on contracts in force on June 23 may be unfair to men of moderate means who have been unable until now to provide adequate life insurance protection for their wives and families. This cut off date does not appear necessary when one considers the general limitations applying to the minimum savings feature of the minister's proposal.

The Restrictions

Briefly these restrictions are:

Payments under any of these methods to be deductible must be on contracts in force on June 23.

In the case of a single man the total amount of taxes levied, refundable or deductible as compulsory savings, cannot exceed 8% of his income or $800 whichever is the less.

In the case of a married man the refundable or deductible portion cannot exceed 10% of his income or $1,000 whichever is the less.

An additional deduction for each dependent of 1% of his income or $100 whichever is the less is also allowed.

Income of $3,000

Take the case of a married man with no children and an income of say $3,000. Under the new schedule he will pay $884 a year in taxes, of which $300 is refundable if he is not saving through life insurance or pension plan or mortgage payments. Up to $300 a year such saving will be a direct set-off against the minimum savings portion of the aggregate tax of $884.

But this man should probably pay more than $300 a year in life insurance premiums alone, apart from any contributions to a pension fund or principal payments on his house he may be making.

Wants More Insurance

It is estimated 10% of the income of a man in the $3,000 class is little enough to be diverted into life insurance alone apart from other classes of approved saving.

Take the case of an underinsured man who wants to add to his protection. The June 23 deadline means he gets no consideration for life insurance policies taken out after that date. He cannot take full advantage of the concession allowing him to treat life insurance premiums up to 10% of his income as compulsory savings.

In Higher Brackets

The removal of the deadline would mean little to persons in the higher income tax brackets. There is an arbitrary top ceiling on the 10% limitation of $1,000 for married men and $800 for single men. Most men in the higher income tax brackets already have insurance and make payments to superannuation funds and mortgages well in excess of the ceilings and the removal of the June 23 deadline would not affect them.

Postponement of effective date is urged as one partial solution. This would enable the man who has not been adequately covered to increase his protection and get consideration for the premiums paid. It would also enable him to build a home under the same conditions.

Too Low a Ceiling

Some again feel that 10% of a married man's income is too low a ceiling. They claim it could be raised to say 15% without hurting the government finances in any way.

Arguments are based on the nature of life insurance itself as an approved method of saving, as the government in its budget provisions has already admitted. It is claimed that money paid in life insurance premiums is withdrawn from spending, thus strengthening the government's anti-inflation campaign, and that a larger part of it is invested in government bonds and thus becomes available to the government anyway.

Few people are believed likely to assume life insurance premiums up to 10% of their income for the purpose of dodging income taxes.

Discouragement of the amount that people pay into life insurance premiums may in the end it is claimed impose greater burdens on the government to take care of the aged as well as widows and dependent children.

Life Institute Names Officers

At the annual meeting of the Life Insurance Institute of Canada, V. R. Smith, general manager of the Confederation Life Association, was elected president for the ensuing year.

G. W. Geddes, general manager of the Northern Life Assurance Co. was elected 1st vice-president and R. E. Dowsett, secretary of the Manufacturers Life, 2nd vice-president.

The Insurance Institute is a nation-wide body designed to provide educational facilities for agents and salaried employees of the life companies.

For 37 years it operated as a section of the Insurance Institute of Toronto, dealing with both life and fire and casualty insurance. In 1936 it was decided to separate the life association from the other groups.

Each year examinations are held and diplomas awarded to students from all over Canada.

Banks Cut Number of Branches

Need of Conserving Staff and Materials Responsible

In the coming months many Canadians will have to get accustomed to walking a little farther to confer with their bankers. Under the stress of war the number of branch banks is being steadily reduced. A few new branches are being opened, but these are substantially outnumbered by those being closed.

At the end of May, according to the latest bank directory, there were 3,266 branch banks in Canada compared with 3,299 at the beginning of the year, a decline of 33.

The movement appears to have been accelerated in recent months, the declines reported from the beginning of the year being as follows: Jan. 3, Feb. 6, March 6, April 12 and June 9. Bankers say the trend is likely to continue.

Factors Responsible

Several factors are mentioned as contributing to the decline:

Difficulty in maintaining well-trained male staff.

Need of reducing expenses wherever possible to meet increased costs of doing business.

Pressure from the Government to eliminate unnecessary duplication of services, thereby saving men and materials for the war effort.

War has made great inroads into the male staffs of most of the banks. In some cases estimates of enlistments are as high as 40% of the total male personnel, probably the average is nearer 30%. Vacancies have to a large extent been filled by women. But the general effect has been to curtail severely the number of experienced clerks and officers. Closing of branches where this can be done without too great inconvenience to the public has been a partial solution.

Two Considerations

In closing branches two things have to be kept in mind by the bank concerned:

To avoid any loss of earnings, and to avoid causing any inconvenience to the public.

Contrary to a belief held by many people many of the branches closed are in the larger and more prominent places.

For example places where branches were closed in the last few months included Amherst, N.S., Halifax, Toronto, Hamilton, and Winnipeg, as well as towns such as Swift Current, Sask., Mount Forest, Ont., Nanton, Alta., and Arntfield, Que.

Arrangements With Other Bank

In many of these places arrangements have been made to have the business taken over by another bank. This means no loss of banking facilities for the public. New personal connections may have to be made, but there is a minimum of unsettlement of banking arrangements.

In other places, where it is necessary to close the only branch in a village or town, efforts are made to ensure there is another bank within reasonable distance.

The recent announcement by the government that it proposed to call men up to 35 years of age for home service has made it necessary for the banks to conserve their experienced male personnel as much as possible. Raising the age limit to 35, it has been pointed out, cuts into the ranks of the more experienced men.

In addition to releasing men for service elsewhere in the bank or for service in the army, closing of branches reduces unnecessary competition between banks and cuts down the demand for stationery, buildings, etc.

Some Branches Unprofitable

As a rule each branch is supposed to stand on its own feet financially. The manager of the branch is supposed to be able to earn all charges of operation such as rent, salaries and maintenance expenses and show a profit as well. In some cases the banks claim they kept branches open as a public service even though they operated at a loss. But as margins of profit have declined greater economies have had to be practised.

More Currency Used

One result seen from closing branches is a greater use of currency. People who formerly drew money from the bank every few days for their current needs will now draw out sufficient to last them a longer period.

Owing to difficulty of ascertaining whether a cheque is good or not, many people will probably also insist on payment being made in cash.

W.C.I.U. Marks 60th Year

Achievements in Fire Prevention Noted at Annual Meeting

The Western Canada Insurance Underwriters Association celebrated its 60th anniversary at its annual meeting at Minaki Lodge, Ont., last week when the growth of the organization was reviewed.

Among its achievements mentioned were:

The mapping of cities, towns and villages to help establish fire rates.

Initiation of automatic sprinkler protection and inspection services in business and mercantile establishments.

Establishment of electrical inspection.

Supervision of building by-laws.

Inspection of fire defenses and waterworks in all towns and cities.

These activities combined with the work of the underwriters' laboratories have contributed much to reducing fire losses and the loss of life, it was stated.

Dealing with alleged discrimination as regards taxation on joint stock insurance companies and mutuals and reciprocal exchanges President E. P. Withrow said:

"Canada today is spending billions in the prosecution of a total war effort. The Dominion superintendent of Insurance, in his report for 1940, showed that joint stock insurance companies paid total taxes of $2,277,368, mutuals paid $5,200, reciprocal and other mutuals paid nothing although the report showed that these latter insurers had an underwriting profit of $1,920,381. Why is this discrimination permitted in a time of fighting for our very existence? There should be equal rights for all but special privileges for none."

Officers elected were as follows, all of Winnipeg:

E. P. WITHROW, president.

R. P. SIMPSON, vice-president fire branch.

C. W. BOLTON, vice-president automobile branch.

N. G. MATHESON, vice-president casualty branch.

Executive Committee:

N. J. BLACK, P. A. CODERE, J. A. DOWLER, J. V. NUTTER, H. H. SMITH.

DIRECTOR

H. Bruce Begg has been appointed a director of the Consolidated Fire & Casualty Insurance Co. He is associated with the firm of Shaw & Begg Ltd., and is also a director of the Federal Fire Insurance Co. of Canada and of the Wellington Fire Insurance Co.

Bank Debits Up 16% in May

Greater Industrial Activity and Higher Prices Bring Rise Over 1941

Higher level of industrial production and increasing commodity prices are reflected in an expansion in the amount of cheques cashed at the clearing house centres of Canada in May. Total amount of $3.7 billions was 16% higher than a year ago. Gains were shown in all five economic areas except the prairies. The gains per cent were: Maritimes, 21%; Quebec, 14%; Ontario, 30%; British Columbia 20.3% The prairies showed a decline of 15% owing to recessions in three of the 10 clearing house centres.

Total debits for the first five months of 1942 were 22% higher than in 1941, gains being shown in all areas. Heavy payments on the Second Victory Loan were an important factor.

Compared with the previous month total debits were almost 2% higher. Expansion was shown in three of the five areas, declines being shown in Ontario and the prairies.

Debits to Individual Accounts
Millions of $

	1942 May	1942 April	1941 May
Maritimes:			
Halifax	55.2	47.5	42.1
Moncton	13.7	14.1	12.0
Saint John	22.8	23.9	21.7
Total	91.7	85.6	75.9
Quebec:			
Montreal	952.9	907.5	818.5
Quebec	91.7	83.6	95.5
Sherbrooke	10.9	10.4	10.0
Total	1,055.4	1,001.6	924.1
Ontario:			
Brantford	18.6	17.1	14.4
Chatham	10.9	8.6	8.5
Fort William	1.2	8.5	9.4
Hamilton	106.5	110.3	99.1
Kingston	11.3	10.2	8.6
Kitchener	19.8	21.7	17.7
London	43.1	44.1	39.9
Ottawa	614.2	500.5	215.8
Peterborough	12.2	11.5	9.7
St. Catharines	23.3	19.3	16.9
Sarnia	9.9	10.7	9.2
Sudbury	8.5	8.3	8.4
Toronto	914.7	1,052.8	925.2
Windsor	82.3	71.1	66.2
Total	1,886.9	1,894.8	1,449.4
Prairies:			
Brandon	4.9	4.8	4.6
Calgary	71.8	74.8	79.5
Edmonton	56.8	59.9	51.0
Lethbridge	6.0	7.0	5.5
Medicine Hat	3.4	3.5	3.1
Moose Jaw	8.2	8.9	10.4
Prince Albert	4.0	3.8	3.6
Regina	33.1	36.8	42.4
Saskatoon	14.2	13.3	14.1
Winnipeg	313.9	323.9	418.9
Total	538.5	537.1	633.3
British Columbia:			
New Westminster	11.1	10.9	8.8
Vancouver	176.7	172.3	143.4
Victoria	32.5	30.9	30.9
Total	220.4	214.2	183.2
Grand total	3,790.9	3,733.2	3,265.8

Less Sterling Held by Bank

Investments Held by Bank of Canada Also Lower

Further cleaning up of the Bank of Canada's holdings of sterling is indicated in the statement of the bank for the week ended June 24. This showed these holdings down to $181,496 from $457,396 the week before.

Investments of the bank were down about $7 millions and total assets about $8 millions.

Total deposits declined $7 millions. Dominion Government accounts were lower, probably reflecting money withdrawn for British account. Deposits of the chartered banks also were down but miscellaneous deposits including those of the Bank of England rose.

	June 24 1942 $	June 17 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	534,722,557	534,791,342
Rest fund	5,585,705	5,585,705
Deposit: Dom.	34,998,722	51,483,612
Banks	200,281,904	207,549,347
Other	23,764,224	7,035,829
Total deposits	259,044,850	266,068,788
All other liabs.	10,550,096	10,703,260
Total liabs.	814,903,208	822,149,095
Assets		
In Sterling & U. S.	181,496	457,396
Subsid. coin	402,661	391,090
Investments:		
Dom. gov. sh.	485,246,802	495,339,091
Other Dom. gov.	318,201,256	314,890,303
Total invest	803,448,058	810,229,394
Premises	1,830,704	1,830,050
All other assets	9,040,289	9,241,165
Total assets	814,903,208	822,149,095

Weekly Bank Clearings

	June 25 1942 $	Change Year Ago %	June 18 1942 $
Halifax	4,005,318	+0.6	4,390,610
Saint John	2,563,123	+8.9	2,836,616
Moncton	1,159,989	—5.1	1,141,421
Sherbrooke	874,170	—9.7	1,190,592
Quebec	4,918,759	+3.8	6,097,427
Montreal	109,285,302	—9.7	140,928,227
Ottawa	42,238,953	—63.3	40,014,586
Kingston	754,055	+9.5	832,966
Peterborough	760,348	+3.6	999,380
Toronto	142,001,719	+14.1	169,780,979
Hamilton	7,008,628	—8.2	7,769,625
St. Catharines	1,275,396	—12.9	1,437,071
Kitchener	1,309,652	+8.1	1,342,095
Brantford	1,260,678	+23.7	1,254,429
London	3,266,990	+1.2	3,702,055
Chatham	693,480	—43.7	684,696
Windsor	4,657,974	+14.6	4,772,189
Sarnia	542,120	—8.1	567,584
Sudbury	1,176,434	—8.2	1,025,611
Fort William	1,066,954	—21.6	1,312,013
Winnipeg	40,913,538	—16.3	66,895,231
Brandon	440,878	+16.5	522,734
Regina	4,293,186	—16.9	4,903,281
Moose Jaw	638,779	+1.1	684,845
Saskatoon	1,376,855	—3.6	1,771,347
Prince Albert	425,712	+9.3	503,241
Edmonton	4,054,557	—13.0	6,113,883
Calgary	7,607,467	—19.2	6,715,032
Lethbridge	603,392	+15.6	601,096
Medicine Hat	288,621	—25.0	306,387
N. W'minster	1,020,462	+11.2	805,665
Vancouver	27,644,161	+37.1	23,892,166
Victoria	2,141,132	+7.3	2,000,119

Your Income Tax

Payments of income taxes collected at the source begin in September. In this weekly column, The Financial Post answers problems you may have in connection with your income tax.

Pension Fund Payments

In view of the provisions in the budget allowing a taxpayer to deduct life insurance premiums and payments into a retirement or pension fund from the refundable portion of his income tax, are annual payments into a pension fund still deductible from income when computing income tax?

Pending official interpretation of the new regulations, it is considered in well-informed quarters that these payments are still deductible from income in calculating taxes. There was no mention in the budget of any change affecting the situation and this is regarded as significant.

Pension contributions to be deductible must be made through an employer's pension fund and the payments must be deducted by the employer from the employee's remuneration.

Exemptions Changed

I am a married man with two small children. I am not clear as to the exemptions I am allowed for income tax under the new budget. Please tell me what they are now compared with previously.

The exemption for everybody now is $660 whether married or single. Married persons are allowed a flat allowance of $150 off the tax payable after the exemption of $660. In addition there is a deduction of $80 allowed for each dependent child. Thus if your income is $3,000, you are allowed basic exemption of $660 in computing the graduated tax.

Your graduated tax on the $2,340 would be $824. Your flat rate tax at 7% replacing the national defense tax would be $210 from which you would be allowed to deduct $28 for each child.

Your total taxes would be $824 plus $210 or $1,034 from which you would deduct $150, plus $160, plus $56 or total deductions of $366, leaving total tax payable of $668. Of this $334 would be refundable.

Investment Income Surtax

The new budget appears to make no mention of the surtax on investment income. Does this still stand?

Yes, it is understood the surtax on investment income still stands. Mr. Ilsley in one part of the budget dealing with the rate of tax on higher incomes, said in part, "In addition we must add the 4% surtax on investment income. . ." This is taken to indicate the surtax still stands.

Charles Gurd & Co. of Montreal, soft-drink manufacturers, will feel the effect of the specific tax of one cent a bottle. This company is already burdened with city and provincial sales taxes, so that the tax rate on a popular drink which in prewar days was widely advertised as a five-cent drink will now be eight cents, an increase of 60% in cost to the consumer.

National Breweries Ltd. position is affected by the new taxes. The increase of 25% in the tax on malt will add substantially to the costs of National and other breweries. But the further increase in the excise tax on liquor may stimulate beer sales. In that event the position of National Breweries may be less affected, though it will still be subject to the excess profits taxes.

Insurance Institute of N. S. Organized

Organization of the Insurance Institute of Nova Scotia has been announced. Officers elected are:

COLONEL A. W. DUFFUS, honorary president.

H. CHURCHILL-SMITH, president.

Vice-Presidents:

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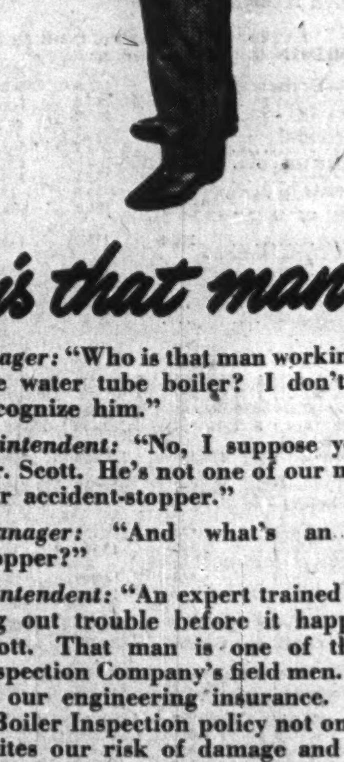

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Do not burn or destroy this copy. See that it goes to paper salvage.

This Distinguished Writer Says—

British 'Imperial Greed'—Fantastic Fable

The British Empire has often been pictured as a group of states of varying constitutional status but with monopolistic control firmly held by the centre.

Self-government and fiscal freedom, it has been contended, has been resisted steadfastly by the authorities at London. This ancient fable is the first exploded by Gustav Stolper in the accompanying article.

By GUSTAV STOLPER

The British, having suffered a bloody revolution and civil war on their own soil once, three hundred years ago, will never suffer it again. The lesson was learned and never forgotton. They saw revolution and secession in their empire a hundred and sixty-five years ago (the American revolution)—and this lesson too was learned.

Never again was war or violent revolution needed inside the British realm to enforce and promote the ancient British liberal idea of "government of men by themselves." Responsible self-government has expanded into every corner of the British realm—only to be restricted by concurrent concepts of minority rights and common interest.

First Steps Taken Here

Characteristically, empire self-government took the first decisive step on the North American continent. The English and French settlers in Canada were mature enough for self-government along with their neighbors south of the Great Lakes, and the mother country was now mature enough to grant it.

The decade and half after the turn of the century was a time of vivid developments. The Canadian constitution had been articulated in the British North America Act of 1867. Now followed the founding of the Commonwealth of Australia in 1901, of the Dominion of New Zealand in 1905; and the daring application of the principle of free federation under the British Crown to the Union of South Africa, in 1909.

Already in these years before the First World War it was no longer a question of British interference in the affairs of the colonies, but rather of a trend in the opposite direction. The Dominions put all their pressure on the mother country to abandon its free trade in order to subsidize Dominion trade by preferences on the redundant and alluring English home market. This element of Dominion influence on the course of British politics in many fields should not be overlooked. The ways to greater freedom in the outlying parts of the Empire frequently threatened to be ways to less freedom at the centre.

The war of 1914-18 proved those courageous empire-builders right who contended that Imperium and Libertas could be made coexistent and workable. Constitutionally the war was declared by the King for the empire as a whole. The simple fact, however, that the decision on the extent of the self-governing Dominions' co-operation in the war effort was up to their parliaments, firmly established their self-determination in foreign politics. All co-operated with largesse in both men and materials. The Dominions emerged from this war vastly strengthened in their self-reliance, but also aware of the very real ties that united them with the mother country and with one another.

In the coming period, British foreign politics were determined in large degree by whether the backing of all or most of the Dominions was to be had for a specific course—thus limiting Britain's own freedom of action. Lloyd George had unrealistically assumed that henceforth Great Britain's foreign policy would be the joint foreign policy of the Empire, but in the Chanak crisis of September, 1922, his simple cablegram to the Dominions to join Britain's expedition against the Turks was flatly turned down by Canada and South Africa.

This emergence of totally independent nations within the tenuous yet tenacious frame of the British Empire, with all its deep implications was, curiously enough, overlooked everywhere outside the Empire. The world heard without much interest the unfamiliar words of that new term for the old empire, a "British Commonwealth of Nations." Unheeded the age-old and ever new British concepts of liberty through unity, of freedom under self-imposed law, made their entry into international affairs in our time.

Inside this British Commonwealth of Nations, which well-known writers still flippantly treat as the domain of British capitalist "imperialism," there are in Australia's and New Zealand's Labor regimes those laboratories of social experiments and planned economy ventures. There is, in Canada, that laboratory for minority rights of one of the great old Western nations and religions against a majority of another—French Catholics against English Protestants—in which relationship Britain still functions behind the scene as the minority guardian. There is South Africa, that laboratory of racial politics in which the more progressive and daringly liberal native policies in the old British colonies, the Cape Colony and Natal, have to find some common ground with the much narrower racial concepts of the Boer and German elements in the Transvaal and the Orange Free State.

At the side of the United Kingdom the Westminster Statute (1931) established five "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or internal affairs, though united by a common allegiance to the Crown."

Britain was made to pay a high price for her gamble to turn Ireland into a responsible member of her peace system—and the price was paid without faltering. Never renouncing the benefits of belonging to the British Empire, De Valera consented to work out with the British appeaser regime of Baldwin and Neville Chamberlain a new way to replace the former bond of allegiance to the Crown. The 1937 Irish constitution, which gave the Irish Free State (never say "Republic") its own president, was the first in the British Commonwealth of Nations to be in no way formally confirmed or validated by any action of the British Parliament. In the following year Chamberlain went even one step further on his road of appeasement, seceding to some undefined border of the empire the British naval bases in three strategically crucial south Irish ports—to the profound though belated regret of both British and Irish patriots today.

Turning from the Dominions to a Dominion-to-be, we encounter the bewildering problem of India. Public opinion in America, as far as it takes cognizance of India's existence at all, is not bewildered. It knows its simple enough fable by heart. British imperialism subjects 400 million people to the profit motives of a few hundred foreign usurpers who slyly feed race, religious and class hatreds among the Indian multitudes in order to rule and profit in the dark. At a time when Britain professes to fight for democracy against dictatorship it "exercises the dictator's might against the Indians' aspirations toward democracy."

The historic truth is that adventurous British merchants in former centuries entangled more or less reluctant British Governments and Parliaments in the maze of Indian affairs. But after all, the English of these ages were not alone in their western vice of activism and world-spanning curiosity. They acted as it suited the temper of that age.

In the eighteenth century, indeed, British Merchants were defended by sheer force of British soldiers and the British Navy, and as much against the rival French as against the threatening Indian chaos. But since 1820 India is the one Asiatic country to know perpetual peace (interrupted only in 1857 by the one year's sanguinary but localized war of the Great Mutiny).

As one looks back, the whole British policy of the following decades may be described as the effort of British statecraft to find native Indian forces to take over on their own and the world's behalf the duty of keeping the peace in this huge and exposed sector of the world.

When John Gunther visited India in 1938 (the 1935 India Act had had barely two years of initial test) he found to his huge astonishment a few hundred British officials, and these on their way out. The Indian Civil Service had practically ended its brilliant history. The roughly 330 million souls of British India were actually under responsible self-government by Indians in all internal affairs. The so-called safeguards that reserved to the provincial governors certain veto rights were in fact not exercised.

Stupendous Task

India is still abysmally poor, squalid, diseased, and the 40 million British responsible for the 400 million Indians (and some scores of millions in other continents) have not quite such a splendid record of sanitation to show as the 130 million Americans responsible for the 12 million Filipinos. Neither the British nor the Indian taxpayer could have assumed such a burden; nor would the setting up of the necessary huge centralized bureaucracy have corresponded to the British or the Indian concepts of what was possible, or even desirable. Yet the difficult and dangerous feats of persuading orthodox Hindus to desist from widow-burning and child marriage should be given due credit.

In economic integration and self-reliance the era between the wars has achieved a great deal, and this present war is arousing the potential native economic forces to a new pitch. The last vestiges of selfish British interference with Indian trade policies disappeared in 1925 (with the "countervailing excise" on Indian cotton goods that competed with Lancashire).

Egypt and the Near East

The affairs of Egypt and the Near East can be dealt with only in passing. In the First World War Egypt was severed from Turkish rule and put under a protectorate by the British. It took all of three years after the peace treaties until, under pressure from the great national leader Zaghlul Pasha, seconded by such British statesmen as Lord Allenby and Lord Milner, the protectorate was terminated and Egypt declared a "sovereign independent state" under King Fuad on Feb. 28, 1922.

The crucial difficulty in Egypt's relations with Britain lies in Egypt's position as one of the paramount powers of the Moslem world and especially as the centre of growing Arabic nationalism. While sheer self-preservation keeps Egypt fast in the British orbit, she had a tense period to go through in her spiritual allegiance to British policies in the Near East, and particularly at her immediate eastern border. This leads us to a comprehension of the tremendous intricacies of our next British imperial problem: the Palestinian venture.

Among the surprising political creations of our time, the Zionist experiment deserves a very special place. It is not a British idea, but it is a British experiment, since all the political responsibility for its outcome—responsibility toward the Jews and Arabs and Christians of the world as well as toward their fractions who reside in Palestine—falls upon Britain alone. All others concerned are in the enviable position of having to worry only about their own troubles. Britain is certainly burdened with the blame if anything goes wrong, less certainly given credit if tension eases off.

Future of Empire

What the future of the British Empire may be after this war is a wide field for the imagination to explore. If this war were indeed a "struggle between rival imperialisms," as the fable will have it, British imperialism, made up of innumerable individual self-governments under the common peace and the common law, would be our choice any time.

If after a war victorious for the West the British Empire resumes its peculiar and undefinable role as a great sea and air power and as a centre of western commerce, industry, civilization, it may well be merely a domination thus prescribed as long ago as Jan. 1, 1907, by Sir Eyre Crowe in a memorandum on the responsibilities of British naval power:

"It would . . . be but natural that the power of a state supreme at sea should inspire universal jealousy and fear. . . . This danger can in practice only be averted —and history shows that it has been so averted — on condition that the national policy of the insular and naval State is so directed **as to harmonize with the general desires and ideals common to all mankind,** and more particularly that it is closely identified with the primary and vital interests of a majority, or as many as possible, of the other nations." **(Bold face ours.)**

In 1919 their status was further exalted by their admission as original members of the League of Nations in their own right. Some call this a clever British trick to secure more votes and power in the League councils. But if that was the hypocritical meaning of proclaiming the Dominions independent nations before the forum of the world—things did not work out that way.

The Financial Post presents below the first in a series of eight articles from Dr. Gustav Stolper's major work—"This Age of Fable." As head of the research department of the Imperial Austrian General Commisariat for War Economy in the last war, founder and editor of the leading economic weekly, "Der Deutsche Volkswirt," and Berlin correspondent for the London "Economist," Dr. Stolper is an eminently qualified economic commentator on trends of the last three decades. As a former liberal member of the Reichstag for Hamburg, and a frequent German representative at Geneva, his political insight is equally well founded. He is author of "German Economy, 1870-1940" an account of German development regarded as essential to an understanding of Hitlerism.

In "This Age of Fable," one of Dr. Stolper's main objectives has been to debunk the debunkers of the 1920's, whose excessive zeal has tended to obscure the true merits of many established institutions. Prominent among the debunkers' victims has been the British Empire—Dr. Stolper here deals with the greatest empire in history in its true perspective.

Reprinted by permission from "This Age of Fable" by Gustav Stolper, published in Canada by McClelland and Stewart.

The Case For A B. C. Steel Industry

By GORDON L. SMITH

VANCOUVER—British Columbia's hope of continued prosperity lies in the rapid development of secondary industries. It must develop manufacturing plants to cater to the special requirements of the Pacific Coast and the import needs of a re-awakened China and India after the war.

That, in briefest form appears to be the platform of most of those citizens, private and public, who direct the economic destinies of British Columbia.

They see their prime timber resources limited to about a generation. They fear almost equally rapid depletion of many of their base metal reserves. They know that the potential agricultural land of the province is less than 2% of the total area. In their opinion industrialization is the only solution. And because steel is the backbone of such a development, a steel plant is wanted first and most of all.

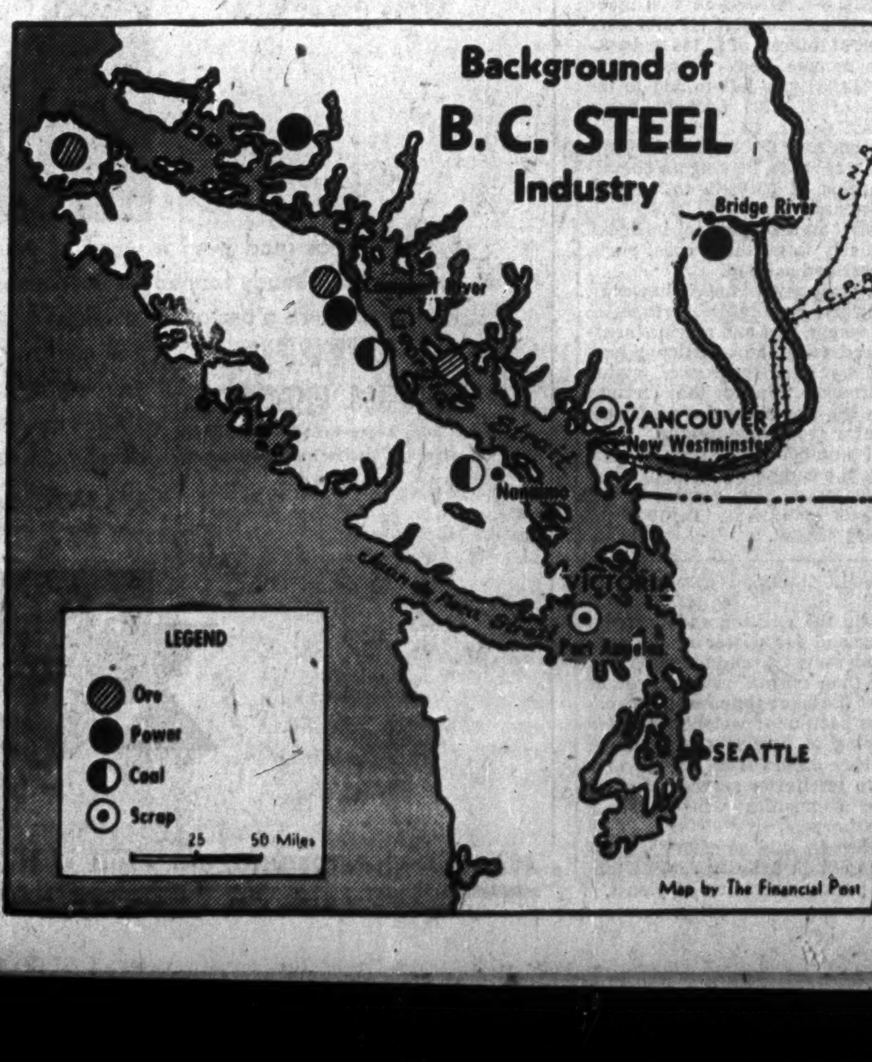
Advocates of such a plant were very hopeful that they would get it established and in operation early in the war. Now they are not so sure though they still maintain that it would be a good war gamble and would justify the expenditure of vital labor and materials even at this critical time.

It is asserted that the plant could be in production of steel from scrap in 15 months after construction started and from its own pig iron in two years. All the spade work, these advocates further assert, has been carried out, power, fuel and ore resources have all been mapped, estimated and boiled down in a special report published by the B. C. Department of Mines early this year.

To the layman, at least, most of the pieces of the general picture seem to fit. Here, all within a few hundred miles, and all on protected tidewater are an abundance of steel raw materials—iron ore, coal, power, scrap metal and limestone. On Vancouver Island there is plenty of coal, several deposits of iron ore and huge resources of power.

Midway between Vancouver Island and the mainland are Texada and other islands where more iron ore is available. Along the B. C. mainland opposite Vancouver Island is more potential power, millions of horsepower, some of which, it is reported, could be developed very cheaply for local consumption. Going down the Straits to Vancouver and Victoria one comes to the biggest industrial areas in Canada west of the Great Lakes, capable, it is asserted, of furnishing sufficient scrap metal to keep a fair-sized steel industry in continuous operation. And if more were required, it is also asserted that at least half the scrap lying around Prairie farms could be moved as cheaply to the Vancouver area as it could to the nearest steel plants in the east.

About the exact site of such a steel industry, advocates are less definite, preferring to cross that ticklish bridge when they come to it. Normal procedure the world over would be to locate the plant at the source of coal, provided the ore can be moved from the mine by water. If the same procedure were to be followed in British Columbia it would place the proposed plant near the coal deposits around Comox, about half way up the east coast of Vancouver Island.



Here in close proximity and at approximately tidewater are coal, power, some iron ore and limestone. Most labor would have to be brought into the area. The engineers who wrote the special report favored this location for a plant especially if pig iron were to be smelted. In some quarters it has been suggested that the plant might be divided, the steel mill located at Vancouver, or in the midst of the biggest local market and the iron smelter at Comox.

Not one of the steel plant supporters questioned by The Financial Post advocated establishing a complete steel industry capable of turning out every product, shape and size needed in Canada. Most of them stressed the necessity of keeping the original plant small, something around 75,000 tons of steel annually, at least for a start.

Moreover, they wouldn't advise going into large shapes suitable for shipbuilding or the special business of steel rails. Just a moderate-sized general purpose mill was wanted which would be sufficient to meet all the demands of British Columbia and some of Alberta's and Saskatchewan's. Once the original plant was established, however, expansion into the production of special sizes and shapes, especially steel for shipbuilding, would be comparatively simple and fairly inexpensive, if the market warranted it.

But these larger sizes and shapes, it was pointed out, are usually an in-and-out sort of business. Take shipbuilding. British Columbia yards today are turning out more steel ships than ever before, yet one moderate-sized mill could produce in a month all the steel plate the shipbuilders could use in a year at the present rate of shipbuilding. In other words there would be 11 months idleness for a mill specializing in ship plate even if the shipbuilding industry could be maintained at the present feverish tempo indefinitely.

And a somewhat similar situation would be encountered with steel rails, big structural steel and large pipe used in mining and oil work. The mill planned in B. C., on the other hand, would cater to general demand and possibly tin plate. In connection with the latter The Post was told that output would be limited, say, to the amount of tin turned out by Smelters at Trail.

On this small-sized general purpose line, and limited to the market of Western Canada, it is asserted that steel could be produced in British Columbia at slightly lower than present prices, laid down from the East, less the freight. In short, that the long expensive rail haul over the mountains could be saved.

So far, however, the British Columbia government and other advocates have been unable to convince the Dominion Government and eastern financial interests to the point where a steel mill on the coast is actually in sight. It is claimed however, that better progress has been made in interesting outside capital.

In any case, if the mill is to be built before the war ends, approval from Ottawa will also be necessary because of the special equipment and materials involved.

Irrespective of whether a plant will be built before the end of the war, most advocates claim that it will be even more of a necessity in the difficult era of postwar reconstruction. In the past British Columbia has depended almost entirely on the exploitation of its natural resources for its prosperity and growth. Now it is generally realized that the end of some of the more important of these resources is in sight and particularly since the speed up in output since the war.

Unlike the other Western Provinces there is no basic agricultural industry nor any hope of one because of the extremely limited area of potential farm land. In this respect British Columbia finds herself in a situation very similar to that of the northwestern states of Washington and Oregon and some hope is expressed that together they may work out some common solution with a closely integrated secondary industry.

Newsprint Pro-rating Again to Fore

Pressure of New Conditions Seen Forcing Revival of Question

By JOHN LANGDON

MONTREAL. — Allocation of tonnage may again become a live issue in the newsprint industry.

Before war broke out a number of Quebec and Ontario companies, subject to pro-rationing, actively campaigned to have all newsprint manufacturers put on the same basis.

While the campaign was directed primarily against Ontario Paper Co. and Quebec North Shore Paper Co., mills erected to supply only the needs of their owner-publishers, the move was designed to bring all companies into the fold.

With outbreak of war and consequent sharp increase in demand for newsprint the campaign died down.

An Economic Problem

At the time of the previous agitation for universal application of pro-rating among newsprint mills, Canadian newsprint mills were operating at between 60% and 65% of rated capacity.

This indicates a fair scale of operations, but these returns include mills not subject to pro rating and which were operating at close to their effective capacity. This pulled up the industry average to between 60% and 65%.

By eliminating the non-prorated mills, a more accurate picture is obtained of operating conditions with the majority of the newsprint mills in Quebec and Ontario.

To determine the rate of operations of the pro-rated mills, it is necessary to deduct about 5% from the industry's average. Consequently, the scale of operations among these mills immediately prior to the war was somewhere in the neighborhood of 55%.

War Settles Problem

With the war demand, operations advanced sharply and the ratio rose to 90.8% in July, 1940. The industry average throughout 1940 was 78.3% of capacity.

This ratio was maintained and even slightly bettered last year—78.9%. This figure does not truly reflect scale of operations. Many of the newsprint mills turned over part of their equipment to the manufacture of paper specialties and in the last half of 1941 the industry fully employed all its equipment.

Under these conditions the prewar demand for pro-rating all mills was a more or less dead issue.

Conditions Have Changed

Within the past few months conditions have taken a turn for the worse for the newsprint industry and the subject of pro-rating is looming up as a live issue.

Many factors contribute to this situation. Demand for newsprint has fallen off relatively sharply. Difficulty in securing ocean shipping has cut down overseas exports to a mere fraction of what they were a year ago. Use of newsprint in the United States—Canada's largest market—has declined. Moreover in recent months there has been a certain amount of inventory accumulation by American publishers in anticipation of transportation difficulties.

Operations Off

Currently those mills subject to pro-rating are operating only three or four days a week. Last month the industry's ratio of operations to capacity dropped to 68%, which means the pro-rated mills operated at not much over 60%.

Allied with the lower demand for newsprint paper, is the virtual loss of the specialty paper business. This type of business ran around 225,000 tons annually in the last half of 1941. Since the beginning of the year orders have dropped sharply and the specialty business now has little influence on operations.

The newsprint manufacturers have offset this to some extent by turning over their idle equipment to the manufacture of groundwood and unbleached sulphite pulp. A fairly large quantity is being turned out and marketed in the United Kingdom and the United States.

Though this business is welcomed, it falls far short of replacing the specialty paper business, which employed all types of equipment and considerably reduced overhead expenses.

Pressure on the pro-rated mills has increased from other sources. Cost of doing business is greater than it was at the beginning of the war, with no compensating advance in the price of newsprint.

Attempts to revise the price upward in the American market were blocked by action of the U. S. Office of Price Administration.

Costs of transportation have risen. Under the terms of contract, the manufacturers have to absorb this additional expense. A move is now under way to secure an adjustment of zone prices in the United States, the manufacturers claiming they are unable to ship by water along the Atlantic coast and, as a result, must resort to rail transport.

A readjustment of price would be of considerable help to Canadian manufacturers as a large share of their business is with publishers situated in Atlantic coast cities where the waterborne rate applies. However, there is no assurance the requested adjustment will be made.

Have Their Worries

On top of higher manufacturing and shipping costs, manufacturers have to contend with the additional costs incidental to the war especially in the matter of taxation.

All these factors bear heavily on the newsprint manufacturers and especially on those subject to pro-rating. For that reason conditions are ripe for the re-opening or stepping-up of the campaign to bring those companies which are operating without restriction into the pro-rated fold.

Plan Not All-inclusive

Under the present plan the majority of mills in Quebec and Ontario pro-rate their tonnage. This is done to equalize business between the two provinces, and was designed originally to alleviate social and economic stress in mill towns and areas. At the same time it was designed to strengthen the market position of the operators through elimination of senseless competition which in the past had cost the industry very dearly.

Not all Canadian mills came under the scheme. Those outside of the two central provinces are not subject to pro-rating, though the majority subscribe to the principle.

Within Quebec and Ontario are several mills which do not pro-rate their tonnage. They are, in the main, owned or associated with publishing interests in the United States. They take the stand that all or part of their tonnage is non-commercial and, for that reason, oppose pro-rating their tonnage to commercial mills.

With conditions as they are now, and likely to be in the months ahead, it is to be expected the pro-rated mills will renew their campaign to have all tonnage pro-rated. Such a move if successful will provide very little additional tonnage for present pro-rated mills, but it will remove a cause of considerable friction within its industry.

Scale of Operations
(Per cent. of Mill Capacity)

	1942 %	1941 %	1940 %
Jan.	84.3	71.5	68.5
Feb.	81.4	72.9	65.8
Mar.	79.9	75.5	68.6
Apr.	76.0	76.7	73.4
May	68.0	75.1	85.1
June	....	77.9	89.5
July	....	80.4	90.8
Aug.	....	80.2	83.2
Sept.	....	84.9	83.5
Oct.	....	84.1	81.5
Nov.	....	85.5	77.1
Dec.	....	82.4	77.8
Year	....	78.9	78.3

Can. Printer Has Birthday

Reviews 50 Years of Vast Progress in Printing Trade

In its current issue Canadian Printer and Publisher celebrates its fiftieth anniversary. Its pages contain an interesting review of the early days of printing in Canada and sketch the tremendous growth of the industry during the past 50 years.

In 1892, when Canadian Printer and Publisher was established, printing and publishing and the related industries combined (not including pulp and paper) produced products valued at only $11 millions. Now value of output approximates $120 millions and printing takes a top ranking place among the leading industries of the country. Workers in the printing trades also receive a higher average wage over the year than workers in other major industries.

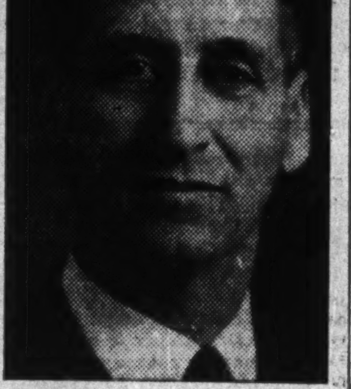
It was not long after this that Toronto and Montreal newspapers were stepping up their production with high-speed rotaries and making it possible to print entire editions within an hour.

Almost simultaneously with the high-speed presses came the linotype to speed up typesetting. With the introduction of an improved machine in 1892 the use of the linotype spread around the world and came to Canada to displace the hand-setting of body type on newspapers almost completely.

This survey of the growing years of printing in Canada also recalls to mind some of the interesting details of the early history of various trade processes as well as the beginnings of some of Canada's most famous publications.

Ont. Accountants Elect F. C. Hurst

F. C. Hurst, F.C.A., has been elected president of the Institute of Chartered Accountants of Ontario. Mr. Hurst was born in Toronto and began his accountancy career with Gunn, Roberts & Co. in 1911, earning the degree of C.A. in 1915. He became a fellow of the Institute in



1934 and has served continuously on the council since then. Mr. Hurst is also on the executive of the Dominion Association of Chartered Accountants. He succeeds J. F. Gibson.

Other officers elected were:

R. R. GRANT, Toronto, 1st vice-president.

E. J. HOWSON, Toronto, 2nd vice-president.

G. B. JEWELL, London, secretary-treas.

F. J. FERGUSON, continues as registrar.

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Pulp Trade Hits New High Mark

From Our Own Correspondent

MONTREAL. — Overstocking among U. S. customers and some falling off in consumption have combined to force down the value of newsprint exports from Canada. On the other hand pulp exports continue upward, shipments in May setting a record of $9.1 millions, an increase of 31% over the same month last year.

To the end of May this year Canadian mills have exported $40.4 millions of woodpulp, an increase of 28% over the like period last year.

Compared with pre-war figures, Canadian pulp exports have quadrupled as a result of the withdrawal of Scandinavian competition coupled with the sharp increase in U. S. consumption.

Pulp and Paper Body Opens B. C. Branch

From Our Own Correspondent

MONTREAL.—Canadian Pulp & Paper Association is opening a branch office in Vancouver. This is the first branch to be opened by the Association and is designed to bring about a closer co-relationship of pulp and paper activities on the west coast with those in the eastern part of the Dominion.

B. C. Sugar Refining Co. announces that Robert Adamson, for many years vice-president of the company, has resigned from that position but will continue as a director. Forrest Rogers becomes vice-president, and Geo. Pierson has been elected a director.

Brown to Meet Bond Interest?

Suggest Arrangement Made With R. F. C. to Allow Interest Payment

Substantial progress has reportedly been made by Brown Co. toward an initial interest payment on its 5% general mortgage bonds. From New York sources it is understood that the company has been carrying on protracted negotiations with the Reconstruction Finance Corp. and that the latter has finally indicated its willingness to eliminate or substantially modify the present restriction against interest payments in the loan agreement. However, it is believed that some weeks may yet elapse before a definite formula for interest payments can be worked out.

Since the beginning of its fiscal year Dec. 1, 1941, Brown Co. has repaid $1,750,000 of its $4.5 millions loan from the R.F.C. Under the terms of the deal the first interest payment that could be made on the 5% general mortgage bonds would be June 1, 1943. This limitation, however, is solely for the protection of the R.F.C. and could be waived by it.

Interest on the general mortgage bonds accrues from Dec. 1, 1939, annual interest requirement being $642,450. In the year ended Nov. 30, 1941, the company had net income available for bond interest and taxes of slightly over $6 millions.

Net Running High

Because of price ceilings and higher operating costs it is not anticipated that net operating income this year will better the 1941 showing. However, the New York sources are informed that earnings have been holding up to the levels reached in the latter part of 1941, which would mean that monthly cash income is running at least $500,000. This continued heavy volume of sales and prospects for continuance of substantial business through the remainder of the year is said to indicate that operating earnings should hold close to the 1941 mark.

Present intentions, as reported from New York, are said to include payment of one year's accrued interest plus the payment of current interest to Nov. 30. This would leave outstanding one year's accrual of interest at the close of the current fiscal year.

Flights to New York To Be Curtailed

Trans-Canada Air Lines has announced that because of war conditions only two daily flights will be operated from Toronto to New York in future.

The New York line is the only one operated into the United States by T.C.A.

Kingston Shipbuilding Co. has called its entire outstanding issue of 7% preferred stock for redemption on July 2, 1942, at $25 a share, plus the semi-annual dividend of 87½ cents a share.

Newsprint Use Shaded in May

From Our Own Correspondent

MONTREAL. — Trend of consumption of newsprint paper in the United States during May continued to run under last year's figures, while the stocks on hand continued well above the 1941 level. According to the Newsprint Association of Canada apparent consumption of paper in the U. S. last month was 320,235 tons. This compares with 318,063 tons in April and 347,848 tons in May, 1941. For the year to date American publishers have used 3.7% less paper than for the like period last year.

Total supply of paper on hand in North America at the end of last month was 898,213 tons, a slight drop from the April figure but 228,000 tons above the May, 1941, level.

May Sales Up 6% Over Last Year

May sales of Canadian department stores were up 6% from the same month last year but down 2% from April, the Dominion Bureau of Statistics reports. For the first five months of 1942, they were 15% higher than in the same period of 1941.

Taking 1935-39 sales as a base of 100, unadjusted indexes of sales stand at 142.6 for May, 1942; 144.9 for April, and 134.3 for May, 1941.

Regional increases in dollar volume of sales in May, over May last year, with increases for the first five months of the year over the first five months last year in brackets, were as follows:

Maritimes, 11% (20%); Quebec, 9% (17%); Ontario, 4% 14%); Prairie Provinces, 3% (13%); B.C., 14% (17%).

Department firms reporting to the Bureau of Statistics noted decreases of 4% in hardware sales, 10% in household appliances, in May. Furniture sales were up 1%, home furnishings 2% and radio and musical instrument sales were up 9%. Clothing sales increased 10% and footwear sales 9%. Food sales gained 9%.

Make Final Payment on Genosha Bonds

Holders of 6½% first mortgage bonds of Genosha Hotel Co., Ltd., have been notified by London & Western Trusts Co., Ltd., that they will receive a first and final dividend of 6.4%. This was authorized by the Supreme Court of Ontario.

The amount to be distributed is $20,800, representing the balance of the sale price of Genosha Hotel Co. assets after deduction of certain expenses. The receivership commenced in August, 1930, and the assets were sold in June, 1933. The balance of the sale price was paid at the end of last year.

U. S. Advertisers Use Less Space

Drop in Linage for May Greater Than Year's Average

From Our Own Correspondent

MONTREAL.—Americans may be reading their newspapers more closely these days, but the advertisers are taking in an extra reef in their budgets. According to Media Records Inc. total advertising for 52 key cities in May was off 12.6% from May last year. The total was 107 million lines, the lowest for the month since 1933. For the year to date linage is off 8.3%.

For the year to date all classifications were down as follows: Retail, 2.8%; department stores, 4.6%; general, 2.7%; automotive, 66.6%; financial, 10.1%; total display, 7.2% and classified, 12%.

This decline in advertising is making itself felt in consumption of paper and, in turn, on the scale of operations in the Canadian newsprint mills.

Shortages Now Face Brazil

Brazilian Has Good Year But the War Obscures Future

Brazilian Traction, Light & Power Co. had the best year since 1930 last year, Sir Herbert Couzens, president, reported at the annual meeting in Toronto.

This had coincided with an "astonishing improvement" in Brazil's trade balance. The upward trend in the country's trade is continuing, figures for the first four months of the present year show, with value of exports and imports much higher.

Sir Herbert warned, however, that the shipping position, rationing (coffee is one of Brazil's biggest crops) and other war factors may change the picture.

Canada, he noted, was the largest purchaser of Brazilian cotton in 1941, taking 20% of all exports of that commodity.

Brazilian Traction, Light & Power had had major difficulties securing supplies and materials, but to some extent these had been overcome by improvisation, use of substitutes, adaptation of old materials and salvage of scrap.

War conditions had made it necessary to depend for the most part on the United States for spare parts and equipment.

Acute Coal Shortage

Causing concern at the moment was the shortage of coal, which might necessitate the rationing of gas in Brazil.

Sir Herbert pointed out that in addition to the increasing difficulty of obtaining supplies and materials, even at enhanced prices, substantial wage increases had been necessary "in order that the companies continue as in the past to maintain equitable basic rates of remuneration to the 40-odd thousand employees in Brazil."

He said the existing and prospective demand for power in the area Brazilian serves gives indication of a higher than normal rate of growth, while at the same time reserve capacity has been unexpectedly depleted by having to furnish power, under mandatory orders from the government, to territories served by other electric companies which had a power shortage.

Sir Herbert said an effort is being made to obtain priority ratings that would permit extension of plants.

B. C. Ship Firm Has New Head

Outlook For Profit This Year Seen As Discouraging

From Our Own Correspondent

VANCOUVER.—Union Steamship Co. of British Columbia has elected as its new president, Gordon Farrell, president of B. C. Telephone Co. Mr. Farrell served for many years on the old board of the Union Steamship Co. before its return to control by British Columbia financial interests in 1937. He succeeds Harold Brown, who continues as chairman of the Board.

Other elections to the board were:

F. H. CLENDENNING, first vice-president.

JAMES S. ECKMAN, second vice-president.

CARL HALTERMAN, managing director.

J. CROOKALL, secretary.

Directors:

K. C. ALLEN, T. W. BINGAY, HAROLD BROWN, E. E. BUCKERFIELD, F. H. CLENDENNING, J. S. ECKMAN, GORDON FARRELL, A. B. GRAHAM, A. L. JOHANNSON, W. G. MURRIN, HON. W. C. WOODWARD.

Operating profit of the associated Union companies last year amounted to $331,840. Provision was made for depreciation of $156,711 and after payment of interest of $3,164 and $82,000 for income and excess profits taxes, $89,965 was left to add to the surplus of $264,705 brought down from last year.

Payment of a dividend of 25 cents a share was made, leaving an operating surplus of $315,040 to be carried forward.

Freight and passenger business, particularly to northern coast ports, was described as good.

"The company is faced, however, with further inevitable increases in cost of wages, fuel and marine insurance, and with the additional burden of war risk insurance," stated Mr. Brown. "Under the circumstances the prospect of a profitable year is far from encouraging."

Total number of passengers carried by the company's fleet of ships was 443,000—a new record in the company's operations. In 1940 the total was 423,848.

B. C. Fishermen Resume Work Despite Price Disagreement

From Our Own Correspondent

VANCOUVER. — Salmon fishing has been resumed on the coast of British Columbia, although there was disagreement until the last hour regarding the prices to be paid by the packers.

Fishermen have been asking for a substantial increase per fish which the packers, in view of increasing operating costs, have been unwilling to grant. The Federal Government has stayed out of the negotiations so far although it may intervene if the disagreement persists and interferes with operations.

The British export market is given first consideration this year, and all canned salmon will be shipped there, the domestic field being sacrificed because of the wartime emergency.

The strawberry pack is also being sent to the United Kingdom under preferred rating and the quota will be exceeded in spite of the short crop due to unfavorable weather and shortage of pickers.

The fact that in the Fraser Valley more than 80% of the berry acreage was held by Japanese, who have now been evacuated, created an unusual difficulty thhis season, and it is anticipated that this factor, combined with poor growing conditions, will reduce the crop at least 50%.

However, the British order for at least 500 tons of processed SO2 berries will be filled.

JAMES W. SEWALL
Ruttan Block, Port Arthur, Ont.
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER

ENVELOPES
For Every Purpose
PLAIN—PRINTED—EMBOSSED
Let us prove our ability to give you prompt and efficient service. Order may be completed, held in stock and delivered as required for your convenience.
Toronto Envelope Co.
Limited
366 West Adelaide Street, Toronto
Telephone Ad. 3135-6

PLAN AHEAD
The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.
2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.
CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $66,000,000.

INDIVIDUALITY
Among men of good taste, it's the slight touch of individuality that counts so much in clothes. And individuality is attained only by the careful craftsmanship of experienced tailors working to your personal measurements. Levy Bros, can assure you of the utmost satisfaction on every item of your wardrobe.
Levy Bros.
69 WEST KING STREET, TORONTO

Envelopes
for every purpose
Barber-Ellis
of Canada, Limited
TORONTO BRANTFORD

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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A Good Name
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Maclaren-Quebec Power Company
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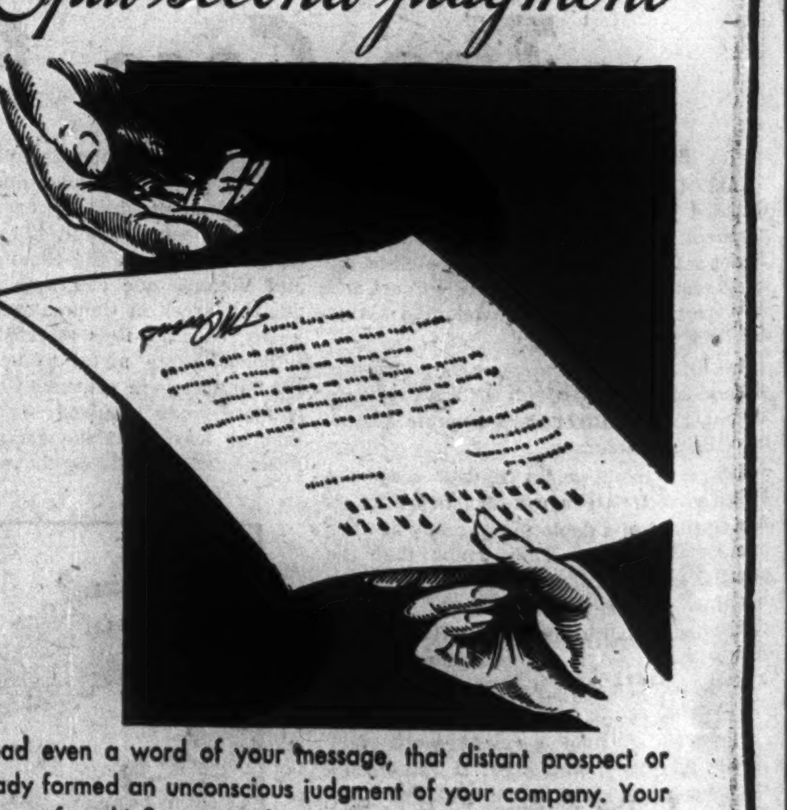
BUCKINGHAM, QUEBEC

RED DEER BRAND
BIRCH and HARD MAPLE FLOORING
"This name has long been associated with High Grade Hardwood Flooring and Northern Hardwoods; Spruce and Hemlock."
The MUSKOKA WOOD MFG. CO., Limited
HUNTSVILLE — ONTARIO

Split second judgment



Before he has read even a word of your message, that distant prospect or supplier has already formed an unconscious judgment of your company. Your letterhead exerts a profound influence on the minds of those with whom you deal.
SUPERFINE LINEN RECORD
A crisp, strong-bodied fine paper that defies time. Ideal for important documents.
You can trust Superfine Linen Record to represent you worthily. Ask your printer to show you this 100% new-rag bond paper of enduring and accepted worth . . . for sixty years Canada's finest.
WASTE IS SABOTAGE • SAVE WASTE PAPER
Every scrap of waste paper is needed. See that YOURS reaches your local Salvage organization.
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1882-1942 — 60 YEARS OF FINE PAPER MAKING •
MONTREAL, QUE.
BRANCH OFFICE: TORONTO, ONT. • MILL AT ST. JEROME, QUE., AND MONT ROLLAND, QUE.

Quebec Power Prospects Brighten As Reservoirs Fill to Capacity

From Our Own Correspondent

MONTREAL. — Quebec's power situation has undergone a remarkable change for the better. Reservoirs are filled to the top and the water supply is described as "extraordinarily good."

The situation is presently such that it can be said with more or less certainty that kilowatt-hour output next winter will be the highest in the history of the industry.

Consumption also promises to be of record proportions, everything depending upon how fast the aluminum industry expands. New plants have been brought into operation this year and others are under construction. More are being considered.

Small Shortage

On the basis of present anticipated aluminum expansion and growth in war production, it is believed Quebec will not be in a position to supply all the power required.

There will be a shortage but not nearly as large as expected at the beginning of the year. And if the aluminum plant expansion is delayed, it is possible all demands will be met.

This appraisal is predicated upon many factors, including restricted use of electricity for advertising signs, lighting shop windows, etc.

Peak demand will be experienced between December and February next. Restrictions are likely to go into effect sometime next October, though there is no official word as yet on this point from the Power Controller.

Less Effect on Newsprint

One important point in the restriction of power usage is the likelihood that newsprint mills will not be closed down.

Earlier this year there was considerable publicity given to the prospect of some newsprint mills being closed down to divert power to the manufacture of aluminum.

Newsprint mills will not be unaffected by plans to meet power requirements of the aluminum industry, but such restrictions as will be put into effect (as far as can be judged at this stage) will not interfere with the ability of the industry to meet demands, nor will it involve the outright closing down of mills.

Stagger Mill Hours

It is understood a plan of staggering work hours for newsprint mills in the Saguenay, St. Lawrence and St. Maurice areas will be worked out.

These mills are now operating on short time. Next winter it is thought that by staggering hours, so as to lessen the peak load, these mills can still work the same number of hours per week, thus maintaining employment and production on the reduced scale, while making available substantial power for the making of aluminum.

At present the Gouin dam, at the head of the St. Maurice River and one of the largest in the world, is completely full. By installing "flashboards" the water is actually 2 feet 8 inches above the spillways.

So great has been the improvement of water conditions in this section that the Shawinigan Water & Power Co. has been able to meet all power demands of late without the necessity of drawing upon the reservoir for any water.

In the Saguenay region water conditions are excellent. The Manouan dam is completed, thus improving the available water supply.

No official plans have been disclosed as yet as to how non-war industrial, commercial and domestic usage of electricity will be restricted by the Power Controller. It is understood, however, domestic use will not be affected because of the almost impossibility of enforcing or setting up a plan.

The most cheerful feature of the present outlook is that once over next winter's peak demand, Quebec's power industry will have the upper hand on future demands. The Shipshaw, Shawinigan and St. Maurice developments will then be in service and Quebec placed in a position to take care of all reasonable wartime demands for power.

GENERAL MANAGER

Thomas O. Cox has been appointed general manager of the Excelsior Life Insurance Co. Mr. Cox joined the Excelsior Life in 1925 and became head of the sales organization in 1932. He is a past chairman of the Canadian Life Agency Officers Association and a former member of the executive of the Association of Life Agency Officers.

T.S.E. Reports On Year's Work

Reduces Debt, Cuts Costs in Face of 15% Volume Drop

A drop of about 15% in volume of shares traded on the Toronto Stock Exchange in the year ended May 31 last was reported by President T. A. Richardson, at the recent annual meeting. This volume was less than half that of two years ago and just 25% of that achieved the first year the exchange entered its new building.

An operating profit of $3,300 was reported, before depreciation.

The Toronto Exchange has been able to reduce the mortgage on its building from $400,000 five years ago to $275,000. The exchange committee has recently arranged with the Canada Life Assurance Co. and the Manufacturers Life Insurance Co., which hold the mortgage, for a reduction in annual principal payments from $25,000. As a result of this the exchange will pay the half yearly interest and an installment of $6,250 on principal on July 1 this year. Thereafter, principal and interest payments will be established on an amortization basis over a 15-year period. This extends the maturity date of the mortgage from May 1, 1951, to Jan., 1958, and will mean annual interest and principal payments of $24,295 compared with the principal payment of $25,000 and an interest payment of about $10,000.

The exchange's teleregister equipment, costing $115,272, has now been paid for in full. The monthly levy of $15 on each seat is being kept in effect as there is $54,252 of this cost which has not yet been amortized on its books.

The exchange reports a liquid position of $52,043. Assessments will have to be made from time to time, reports Mr. Richardson, with last year's assessments stated to have been $400, down $110 from the previous year.

The exchange has just arranged to rent a portion of its building to the Toronto division of the National War Finance Committee.

The Toronto Exchange is now employing a staff of 38 as compared with 45 a year ago, 66 two years ago and a high of 132 in 1937. Annual payroll has been reduced from $61,051 a year ago to $56,755 during the year just closed. Mr. Richardson points out that the exchange is very short handed and increased volume would mean the difficulty of getting competent help.

Revenue from listings last year was $11,570, up $1,000 over the previous year, but still well below recent periods.

Mr. Richardson mentioned that the managing committee have been successful in having the second audit required each year by Ontario eliminated and in place of this one independent audit in each year and two questionnaires made up by this exchange's own staff. This is expected to mean a very considerable saving in audit costs of member firms which have had to pay $656,000 since the amalgamation of the two exchanges.

Investment Notes

Western Grain Co. announces payment of interest coupons due July 2, 1938, will be made on July 2 this year at the company's regular paying agencies. Canadian residents will receive payment in Canadian funds. Current premium will be paid if requested. Payment in U. S. funds will be made only if the coupon is accompanied by ownership certificate showing that the owner is a bona fide resident of the United States or the sterling area.

• • •

Dominion Textile Co.'s present rate of dividend payments will be continued at least during the present fiscal year, according to a statement by Blair Gordon, president, at the annual meeting. Beyond this, he was unwilling to predict. Mr. Gordon also indicated that, although effect of the budget on his company had not been worked out in detail, there probably would be an increase in Dominion income tax assessments of around 11½%.

• • •

Dividends paid by stocks listed on the Montreal Stock Exchange and Montreal Curb Market amounted to $42.9 millions during June, a decline of $7.7 millions when compared with the same month last year. The outlay for all groups during the first half of the year amounted to $115.7 millions compared with $122.2 millions in the first half of 1941.

• • •

International Hydro-Electric System and subsidiaries report for the quarter ended March 31, a consolidated net loss of $31,825. This compares with a net profit of $317,707 for the first quarter of 1941.

According to Irwin L. Moore, president, increased consolidated revenue had been offset by rising costs and increased taxes both in the United States and Canada.

Consolidated income, he added, has not been sufficient to cover the accruals for interest on the system's 6% debentures at the full rate during the first quarter of 1942.

"From a cash standpoint," said Mr. Moore, "the income of the system itself is also running below the amount required to meet expenses and to cover the full interest on the system's 6% debentures."

Power Output Sets Record

From Our Own Correspondent

MONTREAL. — Canada's central electric stations set a new high record in April this year as measured by the index of production adjusted for seasonal and other factors. At 144.3 in April this index compares with 141.7 in March and the previous record of 142.9 set last January.

Exports to the United States were the heaviest of any month to date. At 216.4 million kw.h., exports to the U. S. compare with 216.1 million kw.h. in March this year and 211.6 millions a year ago. The increase was in secondary power, all exported from Ontario.

Quebec is by far Canada's largest producer of electric power with 1,715,461 thousand kw.h. out of 3,082,740 thousand kw.h turned out in April. Primarily because of large exports to Ontario, however, Quebec has a lead of only about 300,000 thousand kw.h. over Ontario in actual consumption.

Although there is a large gain in total electric power production, secondary power output in the first four months of this year is lower than last year.

Comparative figures for the past four years follow:

Output of Central Electric Stations
(Millions of kilowatt hours)

	1942	1941	1940	1939
Jan.	3,226	2,635	2,526	2,387
Feb.	2,864	2,407	2,387	2,214
Mar.	3,221	2,632	2,428	2,387
Apr.	3,083	2,693	2,399	2,197
4 mos. total	[illegible]	[illegible]	[illegible]	[illegible]

Cut Quebec Bus Routes to Bone

Four million bus miles per year have been cut from various autobus services in Quebec, according to Jules Archambault, associate transit controller.

Under the new policy of conserving gasoline and rubber, the transit controller with the cooperation of the bus companies has eliminated a number of routes where other types of transport services were available.

Hillcrest Coal Plan Approved

From Our Own Correspondent

MONTREAL.—Capital plan of reorganization of Hillcrest Collieries Ltd. has been approved by both classes of stockholders. The scheme now goes to the court for approval and it is expected that some time around August 1, when supplementary letters patent have been taken out, it will be possible to arrange for the exchange of stock.

Under the plan the authorized capital will be changed into 150,000 shares of new no par value common shares, replacing the present authorized capital of 10,000 shares of 7% non-cumulative preferred and 20,000 shares of common stock, each of the par value of $100.

One Class of Stock

Outstanding 6,978 preferred and 9,897 common shares will be exchanged for the new stock on the following basis: one new common for each old share of common and 20 new common for each share of preferred.

The outstanding capital will consist of 149,457 shares with a book value of $296,121.

Your Investments

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C.P.R.

Some information on C.P.R. 4% debenture stock and its investment status would be appreciated.

Canadian Pacific Railway Co. 4% consolidated debenture stock is the company's senior security with the exception of relatively small amounts of underlying liens which are secured by a specific pledge of certain assets. It is 4% perpetual debenture stock which is used to secure the company's various collateral trust bond issues.

This 4% stock is issued in sterling, U. S. dollars and Canadian dollars. The United States dollar issue is listed on the New York Stock Exchange. Last year the company earned its entire fixed charges 2.38 times after depreciation and had a balance of $2.19 available for its ordinary stock, far above any recent year.

This year to date net earnings are showing large gains. As an investment, the 4% perpetuals would rank high, although market price is subject to quite wide fluctuations.

Ford Motors

I have some money to invest and was thinking of Ford A. What are some of the investment facts concerning this stock?

Ford Motor Co. of Canada, class A shares, are the only opportunity Canadians have of participating in the operations of the automobile industry directly. The company has stopped production of automobiles and trucks for civilian use, except for buses and replacement parts. Its plant at Windsor is fully engaged in war production as are overseas subsidiaries to the full extent of their facilities.

How this will affect earnings in the coming year is very difficult to suggest, but it seems unlikely that profits will be any better than they were in 1941 when the company earned $1.97 a share on its combined "A" and "B" stocks. Sales volume last year was up 51% in dollars, reflecting both a large production for war and a high civilian demand.

Ottawa Light

Can you supply me with some brief details on the recent operating results of Ottawa Light, Heat & Power?

Ottawa Light, Heat & Power Co. reported gross income for 1941 on about the same level as in 1940, but because of higher depreciation charges, net for the common shares was only 46 cents a share as compared with 65½ cents a share the previous year.

After payment of dividends at the 60-cent rate in effect last year, a deficit of $19,349 was reported as compared with a deficit of $48,267 in 1940 after paying $1 a share. In six out of the past seven years, this company has paid out more in dividends than it has earned.

As a result, earned surplus has declined from $626,000 to $477,000 at the end of 1941. The company produces and distributes electric power and gas in the cities of Ottawa and Hull and surrounding districts, serving about 175,000 people.

Franchises are perpetual for both electric and gas systems, but in Ottawa there is competition from a municipally owned electric distribution system and in Hull a privately-owned system is in competition.

Barker's Bread

How is Barker's Bread making out under wartime conditions?

In 1941, Barker's Bread reported a net loss of $8,144 compared with a profit of $491 in 1940 and a profit of $61,369 in 1939. Primary reason for the drop in profits last year was the imposition of a processing tax on flour. While this tax was eliminated in July, material and labor costs increased so as to offset the saving.

In line with other baking companies, Barker's is instituting various economies which should have a beneficial effect on its operations this year. However, the company's view that an increase in the price of bread in Toronto is fully justified has not been recognized by Ottawa, which has refused to sanction such an increase.

In only one of the past five years has the company been able to cover its preferred dividend requirements.

Dosco

What seem to be the prospects for a dividend on Dominion Steel & Coal class B shares?

Dominion Steel and Coal Corp. has been exceedingly busy since the war started. At the recent annual meeting the matter of dividends on the class B shares was discussed, but little encouragement was given the shareholders with regard to a payment in the near future.

It was stated that expansion of activities required greatly increased working capital and directors were unable to make any definite commitment on the dividend question. It is thought that the company's longer term plans call for a further reduction in funded debt before starting payments on its class B shares.

This would strengthen the ultimate position of class B shareholders, although extending the period of no income from their investment. Last year the company reported $1.12 a share earned on the class B, practically the same as in 1940.

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There is no type of investment available in this country which, from the standpoint of security of principal, attractive interest yield and ready marketability, can compare with DOMINION OF CANADA BONDS.

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GENERAL MANAGER

Bowater's Newfoundland Pulp and Paper Mills Limited, Corner Brook.

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A Trust Fund under the care of this company as Trustee is a safeguard for your family's welfare. This plan enables you to supervise its management in your lifetime, and may later prevent loss to your estate through the inexperience of personal trustees. By establishing such a Trust Fund, you are assured that the financial provisions you have made for your family will be carried out in accordance with your wishes.

Inquiries are invited

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TORONTO KIRKLAND LAKE

GOODYEAR

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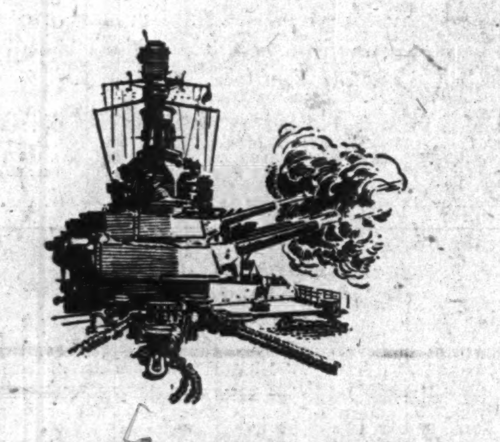

GUNS

TO BLAST THE AXIS

Mass production of heavy guns, already an accomplished fact, is one of Canada's most amazing war achievements.

In a scant two years new factories have been built, machine tools manufactured and installed, green hands trained—a whole industry created.

To-day Canada is producing in quantity ten different types of heavy guns, complete with all mountings and equipment, ready to fire. One Canadian factory, manufacturing artillery from scrap to complete gun, equals in size any similar plant in the world. One of the largest automatic gun plants in existence is located in Canada.

Production schedules for 1942 call for more than 400 anti-aircraft guns a month; 500 field guns a month; 150 naval guns a month, and over 1,000 extra barrels a month.

This advertisement is published as a contribution to the general knowledge of our country's war effort and as an inspiration through the days ahead. For reasons of security complete figures are not available. The facts presented, however, are impressive evidence of the growing might of Canada's war machine.

THE ROYAL BANK OF CANADA

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter 1727)

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Williams Deacon's Bank Ltd.
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THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JUNE 27

A

[illegible]

B

[illegible]

C

[illegible]

D, E

[illegible]

F, G

[illegible]

H, I

[illegible]

J, K, L

[illegible]

M

[illegible]

N, O

[illegible]

P, Q, R

[illegible]

S

[illegible]

T, U, V

Range 1942 High	Low	Div. Rate	Yld. %	Stock	Sales	Last / Week end.			
[illegible]				[illegible]					
2	1	.	...	Do. pref.	....	(— bid 6½ asked)			
14	10	.	...	Tip Top Tailors	90	14	14	14	14
8½	6½	60c	8.9	Do. pref.	....	(98 bid 100 asked)			
106	97	7	7.2	Tooke Bros.	....	(1.00 bid — asked)			
†1.50	1.00	.	...	Do. pref.	....	(13½ bid 25 asked)			
13½	12	.	...	Tor. Elevators.	10	17½	18	18	18
20	16½	1	5.6	Do. pref.	....	(45 bid 48 asked)			
50	47½	2.62½	5.5	Tor. Gen. Tr.	....	(65½ bid 73 asked)			
76	63	4	5.7	Toronto Mtge.	....	(68½ bid 69 asked)			
84½	68	5	7.2	Tuckett Tob. p.	....	(150 bid — asked)			
151	147	7	4.7	Twin City	20	2½	2½	2½	2½
3½	1	.	...	Do. pref.	....	(— bid — asked)			
28½	28½	.	...	Union Gas	560	5½	5½	5½	5½
10½	5½	80+20c	1.7	Un. Amuse. A.	....	(11½ bid — asked)			
13	13	60c	6.2	Do. (B)	....	(11½ bid — asked)			
†13½	13	80c	5.9	United Distill	....	(1.00 bid — asked)			
1.20	.75	10c	...	United Fuel, pf.	5	31	29½	29½	29½
36	29	3	10.2	Do. pref. B.	5	3½	3½	3½	3½
3½	2½	.	...	United Secs.	....	(1½ bid — asked)			
2½	1	.	...	United Steel	600	3½	4	3½	3½
4½	2½	.	...	Viau Bisc.	....	(— bid — asked)			
3½	3	.	...	Do. pref.	....	(46½ bid — asked)			
52	48½	5	9.8						

W, Y, Z

Range 1942 High	Low	Div. Rate	Yld. %	Stock	Sales	Last / Week end.			
44	35	4	9.7	Wabasso Cot.	110	41½	41½	41	41
50½	40	4	9.6	Walker-Good.	590	42½	42	40	40
21	18½	1	5.2	Do. pref.	180	18½	19	18½	19
1.10	1.00	5c	...	Walkerville Br.	50	1.10	1.10	1.10	1.10
136	136	7	5.2	W. Koot. Pr. p.	....	(135 bid — asked)			
1.20	1.00	.	...	West. C. Flour.	....	1.10 bid 1.25 asked			
29	18	.	...	Do. pref.	....	(25½ bid 29 asked)			
51	44	3+2	10.2	West Grocers.	....	(— bid 60 asked)			
111	109	7	6.3	Do. pref.	25	110	111	111	111
‡15½	11½	50c	...	W'minster Pap.	....	(— bid — asked)			
11½	9½	80c	8	Weston Ltd.	145	9½	10	9½	9½
94½	90	5	5.4	Do. pref.	....	(90 bid 93 asked)			
16½	14½	1	6.9	Wilsils	25	14½	14½	14½	14½
1.15	.65	.	...	Winnipeg El. A.	178	1.15	1.15	1.10	1.10
1.25	.60	.	...	Do. (B)	25	1.15	1.15	1.15	1.15
12½	5½	.	...	Do. pref.	64	12	10½	10	10
80	70	7	9.3	Wood, A & J p	....	(68 bid 72 asked)			
60	55	.	...	Woods Mfg. pf.	....	(56 bid 65 asked)			
5	4	40c	...	York Knitting.	148	4½	4	4	4
•100	100	7	...	Do. 1st pref.	....	(— bid — asked)			
12	10½	80c	6.7	Zellers	....	(11½ bid — asked)			
25	24½	1.50	6.1	Do. pref.	....	(— bid 24½ asked)			

Quotations: †1941. § 1940. • 1939. •1938.
▲ On account of arrears.
■ Participating. ‡ Paid in 1941.
• Net after corporate income tax paid in 1942 to date.
♦ Paid or payable in 1942 to date.

Mining Stocks

Week Ending June 27

A

[illegible]

B

[illegible]

C

[illegible]

D, E

[illegible]

F, G

[illegible]

H, I, J

[illegible]

K, L

[illegible]

M

[illegible]

N, O

[illegible]

P, Q, R

[illegible]

S, T, U, V, W, Y

[illegible]

Oil Stocks

[illegible]

Vancouver Stocks

Par Val.	Range 1942 High	Low	Company	Sales	Close June 22 (or last)	High for week	Low for week	Close June 27
[illegible]			[illegible]					
1	.30	.28	Inter'tl Coal			.18	.15	.15
1	.25	.15	Kootenay Belle	4,467	.17	.18½	.18½	.18½
50c.	.20½	.18	McGillivray Creek	3,500	.18½			
1	.01	.00½	Minto Mines	......	(.00½ bid .... asked)			
No	.02	.01½	Nicola	......	(.01½ bid .01½ asked)			
50c.	.10	.08	Pacific Nickel	......	(.... bid .08½ asked)			
1	1.75	1.10	Pend Oreille	100	1.25	1.20	1.20	1.20
1	2.15	1.30	Pioneer Gold	600	1.40	1.40	1.34	1.40
No	.01½	.00½	Premier Border	......	(.04 bid .01½ asked)			
1	.60	.38	Premier Gold	400	.50	.48	.48	.48
No	.60	.26	Privateer Mines	9,000	.30	.31	.29½	.30
1	.02	.01	Quatsino Copper	1,000	.02	.02	.02	.02
1	.50	.27	Reeves McDonald	......	(.... bid .27 asked)			
1	.23	.02	Reno Gold	2,700	.03½	.03½	.03	.03½
50c.	.00½	.00½	Salmon Gold	......	(.00½ May 18)			
50c.	.84	.68	Sheep Creek	4,600	.74	.74	.70	.72
1	.75	.50	Silbak Premier	......	(.65 bid .... asked)			
No	*.00½	.00½	Silvercrest	......	(.... bid .... asked)			
50c.	.10	.06	Surf Inlet	......	(.06½ bid .... asked)			
No	*.03	.02	Taylor Bridge	......	(.02 bid .04 asked)			
20c.	.02½	.01	Wellington	5,000	.01½	.01	.01	.01
1	.04½	.02	Whitewater	4,000	.02½	.02	.02	.02
No	.04	.04	Ymir Yankee Girl	......	(.03½ bid .... asked)			

Oil Quotations

Par Val.	Range 1942 High	Low	Company	Sales	Close June 22 (or last)	High for week	Low for week	Close June 27
1	.07	.05	Alta. Pac. Cons.	......	(.06 bid .... asked)			
No	.55	.35	Anglo Canadian	100	.37	.35	.35	.35
No	.03	.02½	Anaconda	......	(.02 bid .02½ asked)			
No	.25½	.19	Brit. Dominion	......	(.25 Apr. 2)			
No	.04	.04	Brown Oil	800	....	.04	.04	.04
No	1.17	.80	Calgary & Ed.	900	1.05	.99	.97	.97
1	.17	.10	Calmont	300	.15	.13	.13	.13
No	.23	.15	Commoil	......	(.14 bid .... asked)			
No	.28	.19	Commonwealth	500	.20	.19	.19	.19
No	.22	.14	Dalhousie	350	.14	.15	.15	.15
No	.16½	.12	Davies Pete	......	(.11 bid .11½ asked)			
No	.02½	.02½	East Crest	......	(.01½ bid .... asked)			
No	*.36½	.21	Federated Petroleum	......	(.... bid .... asked)			
No	.85	.60	Foothills	......	(.60 bid .80 asked)			
No	.20	.10	High Sarcee	......	(.07 bid .... asked)			
No	2.67	2.20	Home Oil	7,220	2.27	2.27	2.20	2.25
No	.01½	.00½	Madison	......	(.01½ bid .02 asked)			
No	.01½	.01	Marjon Oil	......	(.01½ bid .01½ asked)			
No	.04½	.02½	McD. Segur Ex.	......	(.03½ bid .05 asked)			
No	.05½	.03½	Mercury	200	.05	.05	.05	.05
No	.07	.05½	Mill City Pete	......	(.06½ bid .... asked)			
1	.20	.12	Model	......	(.16 bid .20 asked)			
25c.	.04½	.04	National Pete	......	(.04 bid .... asked)			
1	.03	.02	Nordon	500	.03	.02	.02	.02
No	.40	.20	Okalta	750	.26	.29	.26	.27
No	.04	.03	Pacalta Oil	......	(.02½ bid .... asked)			
1	.25	.14	Pacific Petroleums	400	.14	.19	.19	.19
No	.05½	.03	Royal Canadian	......	(.03 bid .03½ asked)			
No	†.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	18.63	16.00	Royalite	......	(16.75 bid 18.00 asked)			
No	.05	.03	South End	......	(.... bid .... asked)			
No	.20	.15	Southwest Pete	......	(.15 Mar. 9)			
1	.04	.04	Spooner	......	(.05 bid .... asked)			
25c.	.09½	.08	Sunset Oil	......	(.07 bid .... asked)			
No	.04½	.02	United	500	.04	.04	.04	.04
No	.05	.04	Vanalta	......	(.04½ bid .... asked)			
1	.20	.12	Vulcan	......	(.12 bid .... asked)			

• Quotations for 1941; † 1940.

Winnipeg Stocks

(Transactions from June 22 to June 27)

	Sales	High for period	Low for period	Close June 27
Dominion Envelope, pfd.	16	94.00	94.00	94.00
Federal Grain, pref.	10	35.00	35.00	35.00
Rice Lake Mining	5,000	.01	.01	.01

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beav. Lumber, p	..	100	Home Invest.	27½	..
Beav. Lumber, c	2½	4	Nor. C. Mtg. un.	5½	....
Can. Indemnity	150	..	Traders Bldg.	44	..
Corr. Pap. Box c	2	..	Un. Grain	11	..
Cres. Cream., p.	10	15	West. Brew.	2*	2¼
Dom. Envel., c.	..	8½	West. Grain, p.	..	7
Fed. Grain, c.	.35	1¼	West. Steel	7	8
Grouped Inc.	..	4½			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
June 29	6,400	4,200	93,000	......
June 27	1,900	4,800	47,000	3,350
June 26	5,300	900	89,000	7,800
June 25	8,000	8,500	119,000	16,467
June 24	3,700	900	85,000	6,915

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

June 29, 1942

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
3	Oct. '42	100½	101	.60
3½	June '43	101	101½	1.05
5	Oct. '43	104½	104¾	1.37
2	June '44	100¾	101½	1.44
1½	Sept. '44	99½	100	1.50
2½	Jan. '44	99½	100¾	2.25
4½	Oct. '44	106	106½	1.74
2½	Nov. '44	101¾	102½	1.56
a2½	Aug. '45	99½	100¾	2.50
4	Oct. '45	102¾	103½	b1.67
2	Mar. '45	100½	101	1.63
2	Dec. '46	99¾	99¾	2.03
4½	Feb. '46	109	109½	1.84
2½	Mar. '48	99½	100	2.25
3½	June '49	102¾	103½	b2.35
3½	Oct. '49	102½	103½	b2.09
3½	Nov. '51	102	102½	b2.83
3½	Feb. '52	102½	102¾	a2.90
a5	May '52	100¾	101½‡	b
4	Oct. '52	106	106½	b2.68
a3	June '51	100½	100¾	3.00
3	Oct. '52	99½	100	3.00
3	June '55	99½	100	3.00
4½	Nov. '56	106½	107½	b2.71
a3	Mar. '54	99½	100½	3.05
4½	Nov. '57	107½	108½	b2.82
3	June '58	99½	100	3.00
4½	Nov. '58	108½	109	b2.95
4½	Nov. '59	109½	110½	b2.95
a4	Oct. '60	104½	‡105½	b3.22
a3½	Jan. '61	98½	99½‡	3.28
3½	June '68	101½	101¾	b3.10
a3e	Jan. '67	95	96‡	3.23
a3e	Nov. '68	95	96‡	3.22
†3	Perpet'l.	94½	95½	3.15
*5e	July '69	118	119	...
*5e	Oct. '69	121½	122¾	b2.30
*5e	Feb. '70	121½	122¾	b2.30

Dominion Guarant'd Bonds — Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	100¾	.99
2½	Jan. '46	100½	101	1.97
3	May '44	102½	103	1.44
3	Dec. '50	99¾	100½	2.97
3	Jan. '59	98¾	99½	3.06
*4½	Sept. '51	118	119	2.22
*4½	Feb. '56	119	120	2.77
4½	July '57	119½	120½	2.83
3	Feb. '53	99	99½	3.05
4½	June '55	120½	121½	2.77
5	Feb. '54	118½	119	3.09

Can. Nat. W. Ind. S. S.:

%	Due	Bid	Ask.	Approx. Yld.
*5	Mar. '55	121½	122¾	2.88

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Approx. Yld.
3	Jan. '62	100¾	101¾	2.88

Provincial Gov't. Bonds

Province	%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:	3	Oct. '51	94½	96½	3.43
	3½	Aug. '49	96	98	3.57
	3½	June '56	96½	98½	3.64
	c4	Nov. '47	105½	107½	b1.73
	c4½	Apr. '61	108	110	3.76
	c5	Jan. '60	110½	112½	4.02
Nova Scotia:	3	Jan. '52	98	98½	3.06
	3½	June '56	99½	101	3.16
	3½	Nov. '50	101½	103	3.10
	c4½	Sept. '52	110½	112½	b1.98
	c4½	Nov. '60	112¾	114¾	3.42
	c5	Mar. '60	118½	120½	3.46
Ontario:	2½	May '45	100½	101½	2.07
	3	Apr. '48	100	101	b2.73
	3	Nov. '50	99½	100	3.00
	3½	Nov. '51	100¾	101¾	b2.99
	3½	May '55	100½	101½	b3.07
	*4	June '62	111	113½	3.09
	4½	June '50	109½	110½	3.05
	*4½	Jan. '62	117½	120	3.14
	5	Oct. '48	110½	111½	3.01
	*5	Dec. '60	123	125	3.20
	5½	July '46	109½	111	2.67
Ont. Hydro Commission:	3	Aug. '48	100	101	b2.74
	3½	Feb. '53	100¾	101¾	b2.99
	3½	Apr. '47	102½	104	2.63
Prince Edward Island:	4	Mar. '54	101½	103	3.66
Quebec:	3	Nov. '47	98	99	3.20
	3½	Mar. '48	99	100	3.25
	3½	Mar. '59	99½	100½	b3.47
	4	Nov. '52	102½	103½	b3.52
	3½	Feb. '55	100½	101½	b3.57
	4½	Aug. '58	106½	107½	3.63
	4½	Jan. '63	110	112	3.66
Alberta:	4½	Oct. '51	73	..	d
	4½	Oct. '56	68	71	d
	4	Dec. '54	66	69	d
	*5	Oct. '59	69	72	d
	c5½	Apr. '52	70	73	d
	6	Mar. '47	72	75	d
British Columbia:	c4	Dec. '57	102	...	...
	*4½	Jan. '51	106	108½	3.35
	c4½	Oct. '53	109	111	3.34
	c5	Apr. '54	114	...	...
	5½	Feb. '45	104½	105½	3.27
	6	Feb. '47	108	110	3.65
	5	Sept. '53	109	111	3.81
Manitoba:	c4	Dec. '57	98½	100	4.00
	c4½	Dec. '56	100½	102½	4.27
	*5	Dec. '59	105	107	4.42
	5½	Oct. '55	105½	107	4.79
	6	Apr. '47	105½	107	4.37
Saskatchewan:	4	Sept. '54	80	82	6.07
	4	Nov. '60	79	81	5.82
	c4½	Oct. '51	89	91	5.74
	c4½	Mar. '60	85	87	5.66
	5	Aug. '58	87	90	5.96
	5½	Oct. '52	93	96	6.02
	6	Mar. '52	97	99	6.09

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds. ♦—Calculated to 1956 average maturity. ▲—Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr & Co., Toronto)

June 29, 1942

Industrials:	Bid	Ask.
Acme Farm., pf.	47	52
Andian National	25½	27
Anglo C. Tel., A	6	6½
B. C. Pulp, c.	9½	10½
Do., pfd.	63	66
B. C. Sugar	62	65
B. C. Tel., 1st p.	102	..
Brown, com.	1½	1½
Do., pfd.	22	24
Burns & Co., A	2	3½
Do., B	1	1½
Can. Co-op. Wl.	8	..
Can. Indust., A.	145	150
Can. Airways	1½	1½
Can. Ing. Rand	70	..
Can. Mot. L.A.B.	5	..
Can. Tube, c.	6	..
Do., 1st pf.	89	..
Chase, A W., p.	18	20
Colonial Realty	2	..
Colonial Steam.	43	49
Corr. Pap. Box c	2	3
Do., rights	6	9
Dunlop T. p $25	17	18
Easy Wash. p $10	9½	11
Galt Brass, c.	9	11
Goderich Elev.	7	8
Guard. Realty, p	14½	17
Guelph Carp., c.	16	18
Gurney Fdry., p	1½	1½
Hayes Steel, c.	12	14½
Hi'land Dairy, p	..	46
Do., com.	..	2
Inglis, John	6	8
Ingram & Bell, p	94	..
Kingst. Ship., c.	8	..
Loblaw, Inc., c.	12	13
Minn.&Ont. P. c.	3½	3½
M'row Screw, p.	100	105
Do., com.	14	16
Morrison Br. un	5	6
Moirs, Ltd.	19	21

	Bid	Ask.
Neilson, Wm., p.	100	..
N. Meth. Ldy. p.	68	..
Ont. Tobacco, p.	18	20
Prov. Paper, pf.	99	101
Quinte Milk	2½	3½
Stand. Fuel, c.	½	1½
Stand. Fuel, p.	52	54
Do., com.	½	1½
Stedman, pf. $50	50	55
Sutton Horsley	½	1
Tor. Carpet, c.	62	..
Do., pfd.	68	73
Un. F. Co-op.	3	4
Un Steel A pf.	23	24½
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
Brit. Mtge.	120	130
Brockville Tr.	44	..
Capital Tr.	27	31
Comm. Fin., c.	4½	..
Grey&Br. Tr. $50	43	..
Guaranty Trust.	100	103
Guelph & O. $50	50	53
Indust. Mtge.	24	..
Lambton Loan	32	34½
Midland Loan	14	16
Premier Trust	30	37
Sherbrooke Tr.	120	..
Sterling Trust	50	53
Th. Can. Inv. Tr.	1½	1½
Traders Fin. A c	4	6
Do., A pfd.	55	60
Trusts & Guar.	30	33
Victoria Trust	65	68
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	360	370
Brit. Amer.	50½	52½
Canadian Fire	77	81
Confed. 30% pd.	128	136
Cons. Fire Cas.	3½	..

	Bid	Ask.
Continental L.	30	35
Crown, fully pd.	280	300
Dominion Fire	138	..
D. of Can. Gen.	114	120
Empire, 25% pd.	4	5
Excelsior 40% pd	68	73
Great-West Life	203	208
Federal, 25% pd.	52	54
Halifax Fire	14½	16
Imperial Life	260	270
Manufac. Life	217	222
Monarch Life	32	35
National Life	7	10
Sov. L. 25% pd.	12	14
Sun Life	220	240
Tor. General	41	46
Wellington Fire.	68	..
Western Assce.	30	38
Theatre Stocks:		
Allen's, St. Cath. units	52	56
Do. Kings'n un	60	63
Loew's London p	5	..
Mansf. Theat., p	30½	31½
Para., Kitch., p.	40	..
Do., Oshawa, c	7	9
Investment Trust Shares:		
Inv. Found. un.	41	43
Sec's. Hold., pf.	19	22
United Corp., A	20	22
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	26	28
Do., pfd.	102	..
Gt. Lakes Pr., p	100	103
Int. Util., $1.75 p	9	12
Do., $3.50 pf.	24	27
Mtl. Isl. Pwr., p.	42	..
Nor. Ont. Pr. p.	70	74

Unlisted Mines

Toronto, June 29, 1942

	Bid	Ask
Albany R (old)	.01	.03
(new)	.06	.08
Amal Kir	.03	.04½
Anoki	.02	.03
Aquarius	.14	.17
Arjon	.02½	.03½
Armistice	.02½	.06
Argosy	.03	..
Area	.05	.07
Arntfield	..	.01½
Athona (new)	.01	.02
Barb Lard	.01½	.03
Brock	.04	.04½
Bellet	1.75	2.50
Can Rad	.08	.09
Cent Man	.01½	.02
Cheminis	.02	.03½
Clon Pet	1.23	1.75
Columbie	.17	.19
Cons Chi	.03	.06
Delpine	.02	.05
De Santis (new)	.03½	.04½
Dona Pat	.00½	.01½
Eastward	.05	.08
Elmos	.03	.06
Franco	.13	.18
Galore	.00½	.01½
Goodrock	.34	.36
Hayes Cad	.01½	.02½
Hoyle (new)	.08½	.10
Hugh P P	.01½	.03
Kirk Gate	.00½	.01½
Kirk Tow	.04½	..
Lacoma	.00½	.01½
Laguerre	.05	.08
Lk Dufa	.30	.32
L Geneva	.04	.08
Low Pete	.12	.15
Magnet C	.33	.38
Magnet L	.06	..
Martin B	.02	.03
Mat Can	.02	.04
Mat Cons	.10	.15
McMarm	.05	.08
Moffatt H	.01	.02
Mosher	.05½	.07
McManus	..	.01½
Nat Mal	.10	.12
Nick Off	1.10	1.20
Norbeau	.15	.18
Norw Mol	.05	.06½
New Rib	.00½	.01½
Numulake	..	.12
Oklend	.02½	.03½
O'L Malar	.03	.03½
Opemiska	.04	.08
Orpit	.01½	.02½
Pascalis	.12	.15
Pontiac R (old)	.03	.06
Pelangio	.01	.02
Polaris	..	.03
Prop'ary	3.90	4.20
Presdor	.01½	.02½
Que Man	.23	.26
Rand Mal	.09	.10
Red L GS	.00½	.01½
Ritoria	.01½	.02
Rouge	.01	.02
Ranchmens (new)	.26	.27
Rep Tung	.15	.17
S.A.G.A.	.26	.75
Sach R	4.50	5.00
Sheldon	.03	.04
Skynn L	.01½	.02½
Springer	.11	.12
Tombill	.10	.12
Thoms L	.07	.08½
Union M	.02	.04
Wesley	.00½	.01½
Young D	.17	.20

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 30, 1942

Public Utility Issues:	Int. Rate %	Due	Bid June 30	Asked	Bid June 23
▲Alg. Cen. H.B.R.	5	'59	18	20	17½
†Assoc. Tel. & T.	5½	'55	68	71	68
B. C. Power	4½	'60	99	101	98½
B. C. Tel.	4½	'61	105½	107½	105
†Calgary Pwr.	5	'60	109	111	108
Do.	5	'64	104½	106½	104½
†Can. Nor. Pwr.	5	'53	101½	104	102
*Dom. Gas & El.	6½	'45	103	106	103
Gatineau Pwr.	5	'49	100	102	100
*Do., A	3½	'69	100½	102½	100½
♦Do., B	3½	'69	100½	102½	100
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'57	98½	101	98½
*Int. Hydro-El.	6	'44	33	36	33½
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102	100
Macl'n-Que. Pr.	4	'59	100	102	100½
Mtl. L. H. & Pr.	3½	'56	104	105	104
Do.	3½	'73	102	104	102
Do.	3½	'63	102	104	102
†Mtl. Tramways	5	'51	102	104	102
†Do.	5	'55	81½	84½	81
Nat. Lt. & Pwr.	6	'49	101½	104	102
N. S. Lt. Pr.	4	'57	101½	104	101½
Ottawa L.H.&P.	4	'57	102	104½	102
Ottawa V. Pwr.	5	'59	101½	104	101½
†Power Corp.	4½	'59	92	95	91½
Quebec Pwr.	4	'62	103	105	103
*Saguenay P.	4½	'66	107	109	107
♦Do., B	4½	'66	106	108	106½
St. Maurice Pr.	4½	'70	104	106	104
Shaw. W. & Pr.	4	'61	103	105	103
Do.	4	'69	103	105	103
Union Gas	4½	'50	98	101	99
*Twin C. R. Tr.	5½	'52	83	86	82½
†United Secs.	5½	'52	93	96	93½
‡Wpg. El. ser. A.	5	'65	86	89	86
Do., B	5	'65	74	77	74½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	56½	59½	56
Do., C.O.D.	5	'53	56	59	56
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	94½	97½	94½
†Alta. Pa. Grain.	6	'46	103½	106	103½
Algoma Steel	5	'48	102½	105½	102½
Atlantic Sugar	4	'51	101	103½	101
†B. C. Pulp & P.	6	'50	90	93	89½
‡†Do.	7	'50	106	...	106
*Brown Co.	5	'59	76	79	76½
Burns & Co.	5	'58	67½	70½	67½
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'63	97	100	97
Can. Paper	4½	'52	101	...	101
Can. Steamship.	5	'57	101½	104	102
Can. Canners	4	'51	101½	104	101½
*Can. Int. Paper.	6	'49	103	105	103
‡Can. Locomotive	6	'53	94½	97½	94½
‡†Candn. Vickers	6	'47	96	99	96½
C. P. R.	3½	'51	97½	99½	97½
Do.	4	'49	101	103	101
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	64	67	63½
Dom. Coal	4½	'52	97	100	97
Dom. Scott. Inv.	4	'52	97	100	97
Dom. Tl. & C.	6½	'55	104	106½	103½
Dom. Tar	4½	'51	103½	106	103½
Dom. Woollens.	6	'33	97½	100½	97½
†Donnacona Pap.	4½	'56	72½	75½	72
*Dryden Pap.	6	'49	101	104	101
†East. Dairies	6	'49	75½	78½	76
Famous Players	4½	'51	100½	103	100½
†Federal Grain	6	'49	103½	106	103½
†Fraser Cos.	6	'50	102½	105	102½
Galt Brass	5	'50	93	..	93
Gen. Stl. Wares	4½	'52	101½	104	101½
*Gt. L. Paper	5	'55	92	95	92½
*Gurney Fdry.	5½	'49	87	90	87
†Gypsum Lime	5½	'48	102	104½	102
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	81	84	81
Ins. Ex. Bldg.	3	'51	50	53	49½
*Inter. P. Nfld.	5	'68	95½	98	96½
*Inv. Bond & Sh.	5	'47	35	40	..
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	78	81	78½
Do.	5	'61	53	56	53
Legare	6	'61	88½	91½	88½
Maple L. M.	3	'58	84½	87	85
Man. Sugar	5	'60	102	104½	102
Massey-Harris	4½	'54	96	99	96
McColl-Fron.	4½	'49	99	101½	99½
McCormicks	4	'52	97	100	97
Do.	4½	'52	104	106	104
Mercury Mills	5	'59	96	99	96
Mersey Paper	5	'57	94	97	94½
†Do.	6	'49	96	99	96
*M. & O. Paper	5	'60	98	100	97½
Moirs Ltd.	6	'53	83	86	83

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at June 29, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., pfd.	32	35½	—½
Atlas Steels, com.	20½	22	+½
Do., 7% pref.	105	106½	—½
Brantford Roofing, c.	2.35	3.00	+.05
*Can. Gen. Rubber, pfd.	..	27½	+½
Can. Mach., new com.	8½	10½	[illegible]
C.P.R., 4% p. (£ par)	1.85	2.50	+.10
Capital Wirecloth, pfd.	19½	22½	+½
Cawthra Apts., pfd.	2.00	..	—.10
Century Finance, com.	..	28½	—1
Claude Neon, pfd.	1.05	1.85	—.05
Collingwood Term., pf.	1	..	unch
Do., com.	.70	..	—.05
Comm. Life, 10% pd.	6	7½	+½
Dairy Corp., pfd.	7½	10	+½
Dom. Alloy Steel, pfd.	.05	.15	unch
Dom. Life, 70% pd.	177	205	+1
Dover Industries	6½	6¾	+½
Eastern Steel, 5% pfd.	20	21½	—½
†Ft. Wm. Hotel, units	..	47	—½
Hart Battery, com.	4½	5½	—½
London & West. Trusts	30	33½	—½
Mont. Deb. Corp., pfd.	2.00	2.75	unch
Mt. Royal, new com.	3.05	3.75	—.05
Murphy Paint, com.	8	9½	—½
Do., 5½% pref.	86½	89½	—½
Nat. Hosiery, com.	.70	1.05	unch
Do., pfd.	.85	1.15	—.05
†N. Amer. Elev., 1st pfd.	87	..	—½
Do., 2nd pfd.	26	..	—½
Do., com.	..	1.50	—½
St. John Dry D., 5½% p.	99½	101½	+½
Sterling Rubber, 6½% p	..	63½	+½
Supertest Pete., 6% pfd.	25½	27½	+½
Tip Top Tailors Inc., un.	12	13½	—½
Traders Finance, rts.	7½	9½	—½
Viceroy Mfg., 6% pfd.	20½	22½	—½
Waterloo Mfg., new c.	.80	1.15	—.05
West. Can. Hydro, pfd.	11½	12½	+½
West. Life, 10% pd.	6½	10	+½
Windsor Hotel, com.	2½	3	—½

* Issue carries arrears.
† Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid June 30	Asked	Bid June 23
‡Mtrl. Drydocks.	6	'48	82	85	82
Montreal Apts.	4	'54	53½	56½	53½
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	82	85	[illegible]
Price Bros.	5	'57	92	95	[illegible]
Do.	4	'57	..	78	[illegible]
*Prov. Paper	5½	'47	104½	107½	[illegible]
Reliance Grain.	4½	'52	99	101½	[illegible]
†Restigouche Co.	6	'48	102	104½	[illegible]
Rolland Paper	4½	'51	101½	104	[illegible]
Ruddy, E. L.	6½	'48	84½	87½	[illegible]
Silv. Dairies	6	'66	94½	97½	[illegible]
Simpsons, Ltd.	4½	'51	99½	102	[illegible]
Smith, Howard.	4½	'51	103½	105½	[illegible]
Stand. Lime	6	'44	98½	...	[illegible]
Sterling Coal	6	'45	99	102	[illegible]
Stop Shop	3	'47	62	65	[illegible]
Unit. Amuse.	5	'56	100	...	[illegible]
United Corp.	5	'53	94½	97½	[illegible]
*United Gas	5½	'48	104½	107	[illegible]
United Gr. Grs.	5	'48	101	104	[illegible]
†Western Grain	6	'49	64	67	[illegible]

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

June 29, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	114.00	117.00	3.74
Hamilton	5	1950	109.25	112.25	3.25
Montreal	5	1945	93.00	96.00	*
Ottawa	4½	1945	104.75	106.25	2.45
†Quebec	5	1959	109.00	112.00	4.02
Saint John	5	1950	106.00	108.00	3.90
†Toronto	4½	1955	110.00	113.00	3.18
†Vancouver	5	1950	99.00	103.00	4.54
Winnipeg	5	1944	100.75	103.75	2.98

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.76	
Can. Amer. Trust	2.50	
Can. Int. Trust	3.50	
Can. Invest. Fund	2.95	
Corp. Investors	5.14	
Trans-Canada	2.40	

Annual Meetings

July 7 .. Eastern Dairies ...... Montreal
July 7 .. Model Oils .... Calgary
July 17 .. Dom. & Ang. Invest. .. Toronto
July 17 .. Yukon Cons. Gold ... Toronto
July 20 .. Can. Wallpaper Mfrs. .. Toronto
Sept. 10 .. United Securities* ... Montreal
*Bondholders.

Mining Dividends

	Rate	June 27	Yield %
Argus Interests	†4c	2.05	..
Anglo-Huronian	10c	2.00	..
Aunor Gold	16c	1.05	15.2
Bayonne	†1c	.03½	..
Beattie Gold	7c	.70	..
Berens River	6c	.65	..
Bralorne	80c+40c	7.20	*16.6
Broulan Porc.	12c	.44	..
Buffalo Ankerite	▴30c	1.66	..
Bulolo Gold	$3	7.50	..
Can. Malartic	8c	.35	..
Cariboo Gold	16c+1c	1.08	*15.7
Central Patricia	16c+2c	.92	*19.5
Chesterville	▴15c	.75	..
Cochenour Willans	6c	.65	9.2
Coniagas	10c	.80	..
Coniaurum	‡7c	.71	..
Cons. Smelters	$1+$1.50	35.25	*7
Delnite	6c	.50	..
Dome Mines	$1.60	14.50	11
East Malartic	‡5c	1.31	..
Francoeur Gold	▴4c	.21	..
Goldale Mines	2c	.09¾	..
Gold Belt	2c	.14	..
Grandview	2c	.12	..
Grull Wihksne	†.00½c	.01½	..
Hallnor	40c	2.20	8.1
Hard Rock	3c	.35	..
Hedley Mascot	8c	.25	..
Hollinger	65c	7.75	8.4
Howey Gold	2c	.16	..
Hudson Bay	$2	23.37	8.5
Inspiration	▴2c	.30	..
Inter. Nickel, com.	$2	30.00	6.7
Island Mountain	8c	1.00	..
Jason	▴4c	.55½	..
Kerr-Addison	‡17c	4.00	..
Kerr Lake	▴5c	.50	..
Kirkland Lake	8c	.45	..
Lamaque Gold	40c+15c	3.50	*15.7
Lake Shore	80c	8.00	10
Leitch	8c	.52	..
Little Long Lac	▴20c	.99	..
Macassa	32c+3c	2.11	*16.5
Madsen R. Lake	3c	.44	..
Malartic Gold	▴10c	.45	..
McGillivray Coal	▴2c	.18¼	..
McKenzie Red L.	12c	.60	20
Moneta	8c	.26	..
McIntyre Porc.	$2.22+$1.11	39.50	*8.4
MacLeod Cockshutt	10c	1.33	..
Negus	2½c	.38	..
Nipissing	15c	.85	..
Noranda	$4	42.12	9.5
North Empire	‡10c	3.75	..
O'Brien Gold	3c	.63	..
Pamour Porc.	▴12c	.50	..
Pato Cons.	‡25c	2.00	..
Pend Oreille	▴6c	1.14	..
Perron Gold	16c+1c	.95	*17.9
Pioneer, B. C.	32c	1.40	..
Pickle Crow	30c	1.70	17.6
Placer Develop.	25c	5.00	..
Premier	8c	.50	16
Preston E. Dome	20c	1.80	11.1
Privateer Mines	12c+1c	.30	..
Quebec Gold	▴2c	.20	..
Reno Gold	▴20c	.04	..
San Antonio	14c+6c	1.55	*12.9
Sheep Creek	16c+4c	.70	*28
Sherritt Gordon	10c	.62	..
Sigma Mines	60c	5.00	..
Silbak Premier	16c	.50	..
Siscoe	‡3½c	.39	..
Sturgeon River	2c	.12	..
Sudbury Basin	2½c	1.30	..
Sullivan Cons.	‡6c	.57	..
Surf Inlet	▴2c	.10	..
Sylvanite Gold	20c	1.42	14
Teck-Hughes	40c	1.60	25
Toburn	12c+4c	.80	*20
Upper Canada	‡5½	.82	..
Ventures	‡15c	4.15	..
Waite Amulet	40c	4.25	..
Wendigo	3c	.15	..
Wright Harg.	40c	2.15	18.6
Ymir Yankee	▴2c	.03½	..

▴Paid in 1941. *Yield including bonus.
†Initial. ‡Paid in 1942 to date.

Supplementary Bond Quotations

(Supplied by Plaxton, Cherry & McDonnell, Toronto)
Month-end Close, and Changes from Previous Month-end
June 29, 1942

Miscel. Corp. Utility & Realty Bonds:	Bid	Ask.	Chge.
‡Adel.-Peter, 6½%/48	25	27	—1
*Adel.-Sheppard, 7%/48	23	25	+
†Albert-Bay, 6½%/42	59	62	+2
Alexandra Apts., 3%/55	53	55	+
*Alex. Bldg., 6%/47	36	40	—
Ancroft Place, 4%/56	46	48	+
*Annandale C. 6½% ser.	34	..	+1
*Balfour Bldg., 3%/43	46	48	—1
*Bay-Adelaide, 6½%/47	20	24	+
*Bay-Cumberl'd, 6½%/44	18	21	+3
Bay-St. Albans, 4%/53	51	54	+
Beach Fdry., 6%/45	81	86	+2
‡Bloor-St. G. Rlty. 7%/48	44	46	—
Bowater Nfld., 5%/68	93	95	—
Do., 4½%/68	90	94	—
Brantford Roof., 5%/59	80	84	—1
Canada Dairies 5%/61	61	..	—
Can. Machinery, 5%/54	98	102	unch
Do., 6%/55	97	99	—
Cities Heating, 4½%/55	82	95	+
‡Clarendon Apts. 7%/48	24	26	+
‡Clarendon Props. 7%/47	24	26	+
Dom. Square, 4%/59	61	63	+1
Econ. Inv., 5%/57	98	102	+
Ellis Park, 4½%/45	59	62	—1
Fed. Foundries, 5½%/50	87	89	—1
Gleneagles Inv., 5%/44	54	56	—
Godfrey Realty, 4%/52	51	54	+1
Gt. Brit. & Can. 4½%/59	67	..	—
Gt. West. Saddl'y 6%/48	104	..	+1
Keefer Rlty., 5%/55	25	28	+
*King Ed. Hotel, 7%/44	7	9	+1
Lombard Rlty., 2½%/51	26	28	—
*London Realty, 6½%/50	97	100	+
Lord Nelson Htl., 4%/47	47	49	—2
Mayor Bldg., 3%/42	55	57	+
Moodie, J. R., 6%/48	97	101	—
Nat. Utilities, 6%/48	53	57	+
Ont. Building, 3%/43	40	43	—2
Pac. P. & Water, 5%/57	94	..	+
Prince Ed. Hotel 4%/47	32	..	+
‡Prof. Offices, 7%/33-45	59	62	unch
Richmond-Bay, 6½%/47	95	98	—1
*Richmond Bldg., 7%/47	9	12	+
*Rio Tramways, 5%/58	83	87	+
Royal Ex. Bldg., 6%/48	51	..	+
Sandwich W. (Twp.)	20	22	+
St. Cath. Stanley, 5%/57	60	63	—
*St. James R. M. Man.	39	42	—1
Stand. Clay, 6%/42	68	..	+
*Stanley Rlty., 7%/45	2	4	—
Stavely Apts., 2½%/49	63	68	+
‡St. Exch. Bldg., Vanc., 6%/44	40	42	+3
‡Trinity Bldg., 4%/52	8	10	+
200 St. Clair W. 4½%/58	51	55	+1
▪Vanc. Georgia T. 6%/47	53	..	+5
‡Wel'nton Bldg. 6½% ser.	57	60	—1
‡Wind. Court Apt. 6%/42	35	38	+
W'dsor, Essex L. S. 6/59	19	22	—
*York Adelaide, 7%/45	9	11	+
York St. Bldgs., 6%/43	78	84	+

†Payable U. S. funds and Can. funds.
*Issue carries arrears of interest.
‡Currently paying on int. arrears.
*Sterling. ▪Payable U.S. funds only.

Dividends Declared

	This payment	Date payable	Date of record
Beatty Bros., 1st p.	$1.50	Aug. 1	July 15
B. C. El. Rly., pfd.	2½%	July 15	June 30
Bathurst Power, A	25c	Sept. 1	Aug. 7
Biltmore Hats	15c	July 15	June 30
Bralorne Mines	▪20c	July 15	June 30
Do. extra	▪10c	July 15	June 30
Broulan Porc.	3c	July 31	July 10
B. C. Power, A	50c	July 15	June 30
Bell Telephone	$2	July 15	June 23
Brant. Cordage, pf	32½c	July 15	June 20
Brazilian Tr., c.	40c	July 18	May 30
Barber Ellis, pref.	$1.75	July 15	June 30
Canada Starch, pf.	$3.50	Aug. 15	Aug. 8
Can. Tube & Stl. p.	$2	July 15	July 8
Can. South. Rly.	$1.50	Aug. 1	June 30
Canadian Car, pfd.	44c	July 10	June 20
Can. Indust. A B	$1.50	July 31	June 30
Do., pref.	$1.75	July 15	June 30
Can. Converters	50c	July 31	June 27
Can. Pac. Rly., pfd.	2%	Aug. 1	June 30
Can. Nor. Pwr.	▪15c	July 25	June 20
Do., pref.	▪$1.75	July 15	June 20
Canada Bud Br.	▪20c	July 10	July 4
Confederation Life	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Comm. Alcohols	5c	July 15	June 30
Do., pref.	10c	July 15	June 30
Colonial Steam's.	*$2	July 10	June 20
Cons. Smelters	50c	July 15	June 17
Do. extra	75c	July 15	June 17
Can. Bk. of Comm.	$2	Aug. 1	June 30
Can. Fairbanks, pf.	$1.50	July 15	June 30
Can. Gen. Invest.	▪12½	July 15	June 30
Can. Light & Pwr.	50c	July 15	June 30
Cochenour W.	3c	July 25	July 10
Corr. Pap. Box pf.	$1.75	Sept. 1	Aug. 15
Can. Bronze	37½c	Aug. 1	July 10
Do., pref.	$1.25	Aug. 1	July 10
Can. Int. Tr. Shs.	0.109924	July 2	Coup. 24
Do., modified	0.113617	July 2	Coup. 24
Canadian Oil, c.	25c	Aug. 15	Aug. 1
Can. Wallpaper, A B*	$1	Aug 10	July 31
Dominion Tar, p.	$1.37½	Aug. 1	July 31
Dom. & Ang. Inv., c.	$4	July 15	June 30
Dom. Found., pf.	$1.50	Sept. 1	Aug. 20
Do., pref.	$1.75	July 15	June 16
Dome Mines	▪40c	July 20	June 30
Distillers Seag., p.	†$1.25	Aug. 1	July 15
Dominion Bank	$2.50	Aug. 1	July 15
East. Can. Sav.	$1.50	July 2	June 20
Foundation Co.	35c	July 18	June 30
Grandview Mines	1c	Aug. 1	July 1
Gt. Lakes Power p.	$1.75	July 15	June 30
Guaranty Trust	$1.25	July 15	June 30
General Trust, pfd.	$1.25	July 15	June 30
Hollinger Cons.	5c	July 15	June 30
Honey Dew	50c	Oct. 1	Sept. 15
H. Smith Paper, p.	[illegible]	July 15	June 30
Inter. Nickel, pfd.	[illegible]	Aug. [illegible]	July [illegible]

July Dividends Gain Slightly Over Year Ago

In contrast with the drop of almost $10 millions recorded in The Financial Post's estimate of dividends payable in Canada for June, the July payments indicate a small increase of about $11,000 at $28.9 millions.

This still leaves the seven-month total at $163.3 millions down $14.4 millions from last year's level. Bond interest in July will also be down about $2.5 millions.

In July there are going to be six instances of increased dividends compared with only two decreases. No companies have passed dividends and four are initiating payments.

Canadian Breweries is paying 85 cents a share under its arrears elimination plan against previous payments of 75 cents a share. Canadian Tube & Steel is paying $2 a share on its preferred compared with $1.50 paid in April. Foundation Co. of Canada has raised its regular rate to 35 cents a share. Last previous payment in this case was 25 cents regular, plus an extra of the same amount. Montreal Telegraph is paying 48 cents a share against 43 cents, after corporate income tax.

Ottawa Electric Railway is paying 50 cents a share, a rise of 20 cents from the April payment. Standard Chemical has also raised its payment from 50 cents a share to 75 cents.

Levy Bros. is one of the two companies reporting decreases with 10 cents a share as compared with 30 cents paid in December. Pioneer Gold has declared eight cents a share instead of 10 cents.

Several Initials

Initial payments are scheduled for Colonial Steamships with $2 a share, Hamilton Cottons with 10 cents on its common, National Grocers with a common dividend of 40 cents and People's Credit Securities with 25 cents W. D. Beath & Son has resumed payments with 80 cents a share on its class A, first dividend since 1931.

Canadian Wirebound Boxes is paying an extra of 12½ cents toward arrears. Fernie Brewing is paying an extra of 40 cents a share compared with 15 cents paid as an extra a year ago. Harding Carpets is paying five cents a share extra on its common.

Monthly Dividends*

	1942 $	1941 $
January	22,952,057	23,026,402
February	10,016,154	10,655,895
March	27,730,638	27,821,583
April	20,939,115	23,823,789
May	6,357,276	7,230,853
June	48,456,376	58,275,666
July	26,866,741	26,855,735
Total	163,318,357	177,689,923

Summary of July Payments

	1942 $	1941 $
Dividends	26,866,741	26,855,735
Bond interest	25,162,000	27,739,000
Total	52,028,741	54,594,735

Industrials and Utilities

Company	Rate	Rate	Amount
Acme Glove, pref.	3.25s	2	$ 22,356
Agnew Surpass, pfd.	1.75q	2	15,333
Alta. Wood Pres., pfd.	1.75q	2	3,780
Algoma Steel, pfd.	2.50s	1	52,387
Amalgamated Elec.	.25	2	21,103
Amer. Cyan., A, B	†.15q	1	392,754
Do., pref.	†.12½q	1	106,857
Assoc. Breweries, pf.	1.75q	1	12,492
Barber-Ellis, pref.	1.75s	15	2,100
Beath & Son, A	.80	1	80,000
Beatty Bros., 2nd pf.	3.50s	2	23,786
Belding Corticelli	1q	2	7,495
Do., pref.	1.75q	2	15,142
Bell Telephone	2q	15	1,674,730
Biltmore Hats	.15q	15	12,000
Brazilian Tr.	.40	18	2,810,547
Do., pref.	1.50q	2	5,901
Brantford Cordage, p.	.32½q	15	11,654
B. C. Elec. Rly., pf.	2½%s	15	174,600
B. C. El. Pwr. Gas, p.	1.50q	2	75,000
B. C. Power, A	.50q	15	500,000
Building Products	.17½q	2	84,592
Burlington Steel	.15q	2	21,000
Canada Bread, pref.	1.50q	1	16,750
Do., (B pref.	.62½q	1	15,625
Canada Bud Brew.	.20s	10	30,000
Can. Nor. Power	.15q	25	60,000
Do., pref.	1.75q	15	96,250
Canada Packers	1q	2	200,000
Can. Breweries, pf.	.85	2	138,720
Can. Canners	.12½q	2	17,223
Do., 1st pref.	.25q	2	47,719
Do., participating	.05	2	9,543
Do., 2nd pref.	.15q	2	54,559
Do., participating	.05	2	18,186
Canadian Car, pfd.	.44q	10	123,200
Can. Converters	.50q	31	8,667
Can. Cottons	1q	2	27,155
Do., pref.	1.50q	2	50,109
Can. Fairbanks, pfd.	1.50q	15	16,893
Can. Gen. Electric	2q	1	377,690
Acme Indust., A, B	1.50q	31	1,050,211
Do., pref.	1.75q	15	81,375
Can. Light & Pwr.	.50s	15	16,624
Can. Tube & Stl., p.	2	15	30,000
Can. West'ghouse	.50q	1	273,000
Can. Wire. Box, A	.37½q	2	19,093
Do., arrears	.12½	2	6,364
Carnation Co.	†.50s	1	304,795
Do., pref.	†1.25q	1	36,698
Celanese of Am. pr. pf.	†1.25q	1	47,137
Do., 7% pref.	†1.75q	1	288,431
Do., 2nd pref.	†1.75q	1	259,312
Colonial Steamship	*2	10	60,000
Comm. Alcohols	.05	15	10,025
Do., pref.	.10q	15	5,000
Cons. Bakeries	.15q	2	47,766
Consumers' Gas	2q	2	291,104
Dom. Foundries, c.	.25q	1	91,253
Dominion Glass	1.25q	2	53,125
Do., pref.	1.75q	2	45,500
Dom. Textile	1.25q	2	337,500
Do., pref.	1.75q	2	33,960
Easy Washing, pf.	.17½q	2	1,125
Fanny Farmer	†.37½q	1	136,894
Fernie Brewing	.60a	2	19,651
Do., extra	.40	2	13,100
Foundation Co.	.35q	18	29,610
Gatineau Pwr., pf.	1.25q	1	152,450
Do., 5½% pref.	1.38q	1	48,300
Gen. Stl. Wares, c.	.30	2	93,263
Goderich Elev.	.25s	2	21,001
Goodyear Tire	.63q	2	162,073
Do., pref.	.62½q	2	72,465
Goulds Pumps, pfd.	†1	2	7,475
Gt. Lakes Pap. p. A, B	.25	2	50,000
Gt. Lakes Power, p.	1.75q	15	13,125
Gt. W. Saddlery, pf.	.75q	3	5,244
Do., 2nd pref.	.75q	3	868
Greening Wire	.15q	2	28,500
Hamilton Cotton, c.	*10c	2	2,000
Do., pref.	.50q	2	9,055
Harding Carpets	.10s	2	17,453
Do., extra	.05	2	8,726
Hinde & Dauch	.25q	2	74,983
Honey Dew	.50q	2	10,323
H. Smith Paper, p.	1.50q	15	107,554
Hudson's Bay, pref.	2½%s	1	153,000
Intercol. Coal	2s	2	20,000
Do., pref.	4s	2	7,932
Inter. Bronze	.37½q	15	37,500
Do., pref.	.37½q	15	37,500
Inter. Milling, pf.	†1.25q	15	67,895
Inter. Power, pref.	1.75q	2	140,000
Jam. Pub. Service	.17q	2	22,950
Do., pref.	1.75q	2	13,125
Lang, J A.	.17½q	2	17,500
Levy Bros.	.10	1	5,000
Mod. Containers	.20q	2	5,000
Do., extra	.10	2	2,500
Do., pref.	1.37½q	2	4,125
Mtl. L. H. & Pwr.	.38q	31	1,705,777
Montreal Telegraph	.48q	15	24,000
Moore Corp.	.55½q	2	234,955
Do., pref., A, B	†1.75q	2	52,980
Murphy Paint	.20q	1	13,760
Do., pref.	1.37½	1	5,318
Nat. Breweries	.50q	2	360,686
Do., pref.	.44q	2	48,840
Nat. Grocers	*.40	20	118,340
Do., pref.	.38q	1	56,157
Nat. Steel Car	.50q	15	87,689
Nor. Ont. Power	.12q	25	28,804
Do., pref.	1.50q	25	37,474
N.S. Lt. & Pwr., c.	1.50q	2	51,784
Ogilvie Flour, c.	.25q	2	150,000
Ottawa El. Rly.	.50q	2	17,598
Ottawa L. & Pwr.	.15q	1	20,991
Do., pref.	1.25q	1	21,250
Page Hersey	1.25q	1	217,845
Porto Rico Pwr., p.	1.75q	2	17,500
Power Corp., 1st pf.	1.50q	15	75,000
Do., 2nd pref.	▪75q	15	75,000
Price Bros., pref.	1.37½q	1	86,409
Provincial Paper, p.	1.75q	2	61,250
R. S. Mills, "A"	.50q	2	15,000
St. John Drydock, p.	1.37½q	2	4,681
St. Law. Corp., "A" pf.	.25q	15	72,394
St. Law. Paper, pfd.	.75q	15	102,885
Sher. Williams, pfd.	1.75q	2	60,550
South. Can. Pwr., p.	1.50q	15	106,333
Stand. Chemical	.75	30	27,958
Stand. Fuel, pfd.	1q	2	11,860
Stand. Radio, A B	.10	10	21,500
Stedman Bros.	.15q	1	13,500
Do., pref.	.75q	1	4,500
Supersilk H., pref.	2.50s	2	12,180
Tamblyn, G.	.20q	2	22,400
Do., pref.	.62½q	2	3,750
Tip Top Tailors	.15q	1	18,000
Do., pref.	1.75q	1	17,619
Tuckett Tob., pfd.	1.75q	15	35,000
United Fuel, "A"	.75q	2	67,500
Viau, pref.	1.25q	2	11,825
Wabasso Cotton	1q	2	69,903
West Kootenay Pr., pf.	1.75q	2	8,750
West. Grocers	.75q	15	12,706
Do., pref.	1.75q	15	20,899
Weston, Geo., c.	.20q	1	80,884
Wilsil	.25q	1	33,925
Total			16,871,345

Mining Companies

Bralorne Mines	.20q	15	249,400
Do., extra	.10	15	124,700
Broulan Porc.	.03	31	80,820
Cariboo Gold	.04	2	53,332
Cochenour Willans	.03	25	88,849
Cons. Smelters	.50s	15	1,638,165
Do., extra	.75	15	2,457,247
Dome Mines	.40q	20	800,000
Hollinger Cons.	.05	15	246,000
Little Long Lac	.10	15	184,100
Moneta Porc.	.02q	15	50,877
Pioneer Gold	.08q	2	140,140
Premier Gold	.02	15	100,000
Preston E. Dome	.05	15	150,000
Sheep Creek Gold	.04q	15	75,000
Do., extra	.01	15	18,750
Sigma Mines	.30	25	300,000
Silbak Premier	.04q	25	100,000
Sullivan Cons.	.03	15	120,000
Wr. Hargreaves	.10q	2	550,000
Total			7,527,380

Oil Companies

Brit. Amer. Oil	.25q	2	693,160
Canadian Oil, pref.	2q	2	40,000
McColl-Fron., pfd.	1.50q	15	115,005
North Star Oil, p.	.08¾q	2	17,500
Supertest P., ord. c.	.50s	2	55,000
Do., pref. "B"	.75s	2	6,000
Total			926,665

Financial

Bk. of Nova Scotia	3q	2	360,000
Brit. Mtge. Trust	4s	2	40,000
Brockville Trust	.62½q	2	6,250
Canada Life	5q	2	50,000
Can. Perm. Mtge.	2q	2	140,000
Can. Fire Ins.	2s	2	40,000
Con. Tor. Invest., pf.	2q	1	13,734
Can. Gen. Invest.	.12½q	15	75,073
Can. Indemnity	3s	2	15,000
Central Can. Loan	2q	2	50,000
Chartered Trust	1q	2	10,000
Dom. & Ang. Inv., c.	4	15	40,000
East. Can. Savings	1.50q	2	11,250
Eastern Trust	2q	2	20,000
General Trust, pfd.	1.25q	15	13,750
Gt. West Life	3.75q	2	37,500
Guaranty Trust	1.25q	15	3,750
Guelph & O. Inv.	1.50s	2	28,956
Guelph Trust	1.25s	2	7,562
Halifax Fire	.50s	2	100,000
Huron & E. Mtge.	1%	2	50,000
Indust. Mortgage	1s	2	12,700
Invest. Found., pfd.	.75q	15	21,420
Lambton Loan	1s	2	15,795
Landed Banking	1q	2	10,000
Midland Loan	.40s	2	14,400
Mtl. C. & D. Bank	3q	2	60,000
Do., extra	1	2	20,000
National Trust	2q	2	60,000
Ont. Loan & Deb.	1.25q	2	50,000
People's Cd. Secs.	*.25	15	27,500
Real Estate Loan	1s	2	5,000
Sterling Trusts	1.50s	2	12,049
Sun Life Assur.	3.25q	1	65,000
Tor. Gen. Trusts	1q	2	30,000
Toronto Mortgage	1.25q	1	24,662
Total			1,541,351
Grand Total			26,866,741

†Payable in U.S. funds. *Initial.
a—Annually. s—Semi-annually.
q—Quarterly.

F. H. Fairbanks has been elected member of the board of management of the Montreal Curb Market, replacing **D. S. McMaster**, who recently resigned to join the Wartime Prices and Trade Board.

Roy E. Mackenzie has been appointed assistant manager of the Curb Market to replace **T. D. Robertson**, who resigned to take a position with the W.P.T.B.

Dividends Declared (Cont'd)

Invest. Found. pfd.	75c	July 15	June 30
Inter. Metal p & A p	$1.50	Aug. 1	July 15
Inter. Bronze	▪37½c	July 15	July 5
Do., pref.	▪37½c	July 15	July 5
Inter. Milling, p.	†$1.25	July 15	July 3
Imperial Bank	$2.50	Aug. 1	June 30
Little Long Lac	10c	July 15	July 3
Langley's, pfd.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
Moneta Porc.	2c	July 15	June 30
Montreal Tele.	▴48c	July 15	June 30
Mtl. L. H. & Pr.	38c	July 31	June 30
McColl-Front., pfd.	$1.50	July 15	June 30
Nat. Biscuit, c.	†30c	July 15	June 12
Do., pref.	†$1.75	Aug. 31	Aug. 14
Nat. Grocers, c.	▪40c	July 20	July 6
Nat. Steel Car	50c	July 15	June 30
Nor. Ont. Pwr.	12c	July 25	June 30
Do., pref.	$1.50	July 25	June 30
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 21
Power Corp., 1st p.	▪$1.50	July 15	June 20
Do., 2nd pref.	▪75c	July 15	June 20
Preston E. Dome	5	July 15	June 30
People's Cr. Sec.	*25c	July 15	June 30
Quebec Power	25c	Aug. 25	July 22
Regent Knit., c.	25c	Sept. 15	Aug. 31
Regent Knitting pfd	‡40c	Sept. 1	Aug. 15
Shawinigan W. Pr.	23c	Aug. 25	July 24
Sigma Mines	▪30c	July 25	June 30
Silbak Premier	4c	July 25	July 6
Sheep Creek	4+1c	July 15	June 30
Simpsons, pref.	$1.62½	Aug. 1	July 18
Saguenay Pr., p.	$1.37½	Aug. 1	July 15
South. Can. Pr., p.	$1.50	July 15	June 20
Do., com.	20c	Aug. 15	July 20
Sher.-Williams, ord.	15c	Aug. 1	July 15
St. John D'dock, p	$1.37½	July 2	June 25
Sullivan Cons.	3c	July 15	June 15
Stand. Chem.	75c	July 30	June 30
Steel of Can.	75c	Aug. 1	July 7
Do., pref.	75c	Aug. 1	July 7
Stand. Radio A, B	10c	July 10	June 30
St. Law. Corp., pf.	25c	July 15	June 30
St. Law. Paper, pfd.	75c	July 15	June 30
Steel of Can.	75c	Aug. 1	July 7
Do., pref.	75c	Aug. 1	July 7
Tuckett Tob., p.	$1.75	July 15	June 30
Weston, Geo., pfd.	$1.25	Aug. 1	July 15
West. Grocers	75c	July 15	June 20
Do., pref.	$1.75	July 15	June 20
Wood, A & J, pfd.	$1.75	Aug. 1	July 15
Zellers	20c	Aug. 1	July 15
Do., pref.	37½c	Aug. 1	July 15

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.
‡Also 40c payable Dec. 1.
*Initial.
*Subject to approval of shareholders at meeting July 20, 1942.
[illegible]

Wide Range Of Trades Hit By Tax

Soft drink manufacturers expect a further reduction in their sales volume due to the added tax of one cent a bottle and 25 cents a pound on carbonic acid gas. The new imposition means that pop drinkers are now paying seven cents a bottle, an increase of 40% since the start of the war.

Tangible evidence of the effect of such a tax was given last year when a 25% excise tax was levied causing soft drink prices to be raised one cent a bottle. Up to the date of that tax imposition Orange Crush Ltd. had looked for a material improvement in its financial position. However, the tax brought a drastic decline in sales and created what company officials called "a serious setback." To the company's profit and loss statement that tax was a heavy contributing factor to the 1941 loss of $5,242 as compared with a 1940 profit of $41,016. Soft drink makers have already had their sugar quota cut to 70% of 1941 consumption. A drop in sales brought by the new taxes may help to ease their rationing problem.

Hit Luxury Trade

While it is still a little early to attempt to gauge accurately the possible effect of the new 25% excise tax on certain luxury articles the retail trade is looking for a considerable slowing down in sales. This tax is being imposed on the retail price of such articles as personal luggage, brief cases, jewellery, cut glass, china, clocks, watches, ash trays, tobacco pipes, fountain pens, etc.

Should the sale of such articles fall off one of the Ilsley budget's aims will be achieved. One objective of the budget is to discourage luxury expenditures so that current savings might be increased.

Makers of domestic wines are not too much perturbed at the new excise taxes. A year ago the budget increased the tax on wines from 15 to 40 cents a gallon. Now it goes up from 40 cents to 50 cents a gallon, considerably more than trebled in the two years. Chateau-Gai Wines and T. G. Bright are two major companies with investment interest.

Last year the tax increase resulted in lower sales for the industry as a whole and lower profits for the companies operating in it. This year wine companies have had to reduce their output to 70% of previous level, due to sugar restrictions. This means lower sales and it is quite probable that the new higher tax will have a similar effect.

Retail wine prices are reflecting the amount of the new tax, but the increases per bottle are not great. Effective July 2, still domestic wines go up by amounts ranging from one cent a bottle for the 13 oz. size to 10 cents a gallon. On sparkling wines the increase is between four and five per cent. On one standard line of sparkling wines, the 13 oz. bottle formerly sold for $1.10 and will now be $1.15; on the 26 oz. bottle, the former price of $2 a bottle becomes $2.09.

Like other concerns, wine makers are having difficulty keeping their materials up to desired quantities. Bottles are a problem although to date they have obtained sufficient. Caps for bottles are becoming increasingly difficult to obtain due to use of such items as cork, steel and in former days, tin. Contracts with grape growers have not yet been arranged finally for the 1942 crop, but are in process of negotiation.

Beer Price Stays Yet

Ontario brewers are not clear as yet how the extra four cents a pound tax on malt is going to be handled. As it takes about two pounds of malt to make a gallon of beer, this means an added cost of nine cents a gallon. As there are 1.8 gallons in a standard case of bottled beer, it means 15 cents per case (dozen quarts).

Whether or not any increase in retail price of beer to accommodate the higher tax will be allowed is not known. The Wartime Prices and Trade Board administrator has ordered that there is to be no price increase until further directions are issued. How long a decision will take is not known but in any case brewers are not immediately worried. They have a normal two or three months' supply on hand on which tax has been paid at the old rate.

Chocolate Bars

Price increases have been permitted on chocolate bars and chewing gum to accommodate the new excise tax. This tax is 30% on the manufacturer's price. The foods administrator of the WPTB has ordered that the price increase must be limited to one cent, making the retail price six cents each.

Under normal conditions, attempts to raise the long-established selling price of articles in everyday use, such as chocolate bars, would meet with a lot of resistance and would undoubtedly hit sales volume. Now makers of chocolate bars, because they require sugar, are limited to 70% of former production levels and their most serious problem is to satisfy their customers with the reduced amount they have for sale. Any reduction in sales would now be welcomed.

Prices Hold Up Well For Oats and Barley

From Our Own Correspondent

WINNIPEG.—Although a large crop is in prospect, prices for future deliveries of oats and barley continue strong, with those for October almost at ceiling level and well above the point at which the government would have to enter the buying picture to implement its guarantee.

It is the hope of the trade, and doubtless of Ottawa, that the market will take up new deliveries as they come along and government buying will be unnecessary. If it is necessary, it will indicate that grain is coming faster than it can be absorbed, and it will probably mean that coarse grains will have to be carried in storage for a time. This, in turn, would increase elevator congestion.

Quotas Might Help

Delivery quotas on coarse grains might prevent the burden on the market being too great at any one time, even if the crop is large and the demand from feeders somewhat slow to develop. Farmers have usually been somewhat slow in offering coarse grains for sale, but with diversion of former wheat acreage to coarse grains, a considerable increase is expected in the quantity which will be offered in the early part of the crop year.

Farmers' deliveries of wheat from the new crop are to be limited to 280 million bushels. Whatever surplus over that quantity is produced this year, beyond seed requirements, will have to be either fed or held over on farms for another year. Farmers are being warned not to carry over any 1941 wheat beyond July 1.

It will be undeliverable after that date. It cannot be delivered to the Canadian Wheat Board on the new price basis, which comes into effect on Aug. 1, nor can it be sold on the open market at any price, because the whole quota of 280 million bushels will be reserved for new crop wheat.

Wheat Bins Swept

At one time it was believed that a number of farmers would attempt to keep old crop wheat in order to benefit from the higher price, based on 90 cents for No. 1 Northern at Fort William, which the Wheat Board is authorized to pay for new crop wheat. Now, however, it is believed that the situation is well understood. Country bins are expected to be swept practically clean of wheat before the end of July, except in the event of local crop failures which might induce farmers to keep old crop wheat for seed or feed.

C.P.R. Retains Control of 'Soo'

From Our Own Correspondent

MONTREAL.—Plan of reorganization on the Minneapolis-St. Paul and Sault Ste. Marie Railway has been amended by the Interstate Commerce Commission to ensure the Canadian Pacific Railway an effective working control of the reorganized company.

Under the amendment the C. P. R. will have the right to vote approximately 45% of the total amount of the common stock of the Soo Line.

The Commission's original order gave the Canadian Pacific an option to buy 25% of the common stock of the reorganized Soo Line for $2 a share.

Under the amended plan the amount of the option stock has been increased to 33%.

The reorganization plan provides for an eight-year extension from January 1, 1951, of a traffic agreement between the Canadian Pacific and the Soo Line. The Commission said it regarded the traffic agreement with the C. P. R. as necessary to continue profitable operation of the Soo Line.

Outlook Bleak For C. & D. Sugar

Wartime factors have made this year's earning prospects of Canada & Dominion Sugar Co. "disappointing," W. J. McGregor, the president, reported at the annual meeting.

He referred to increased costs of raw materials, increased operating expenses, increased taxes, decreased distribution of sugar due to rationing, and controlled selling prices. In view of all these circumstances, he said, shareholders could not expect as great a return on their investment.

Mr. McGregor also mentioned the acute shortage of farm labor, which reduced sugar beet acreage.

"We have confidence that our 6,000 sugar beet growers will patriotically respond with beet acreage sufficient to produce 125 million pounds of sugar in 1943, if the major deterring factor to sugar beet growing is dissolved by the return to the land of the labor so desperately needed by farmers," he declared.

For this year sugar beet production from 23,000 acres, about half the original objective, will not furnish enough beets to keep one factory working at capacity, leaving the other factory idle.

April Flour Output Top For Month

Canadian flour mills manufactured 1.9 million barrels of flour in April, compared with 1.6 million in the same month a year ago. Production was the highest of any month in the present crop year, and the highest ever recorded for April, according to figures issued by the Dominion Bureau of Statistics.

Production for the first nine months of the crop year was 15.2 million barrels, as against 13.2 millions in the same period of the previous crop year. The percentage of output to capacity amounted to 87.5 in April, while in April, 1941, it was 74.8.

Exports of flour in April were 1.1 million barrels, 278,000 barrels higher than in the same month last year.

Mill stocks of wheat at April 30 amounted to 5.3 million bushels, about the same as a year ago.

For the period from August to April, inclusive, production of rolled oats was 2.4 million pounds compared with 8.5 millions in the same part of the last crop year.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$12.90	$12.55	$8.66
Hogs	15.60	15.56	14.07
Copper, lb.	*.12	.12	.12
Cotton, lb.	.1981	.1970	.1580
Sugar, raw, lb.	*.0374	.0374	.0350
Wheat, Man. (bu.)	.80¾	.80¼	.77¾
Coffee, lb.	*.09¾	.09¾	.08¼
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	98.1	98.4	87.2
Wood, Gundy	76.7	76.7	73.8
Dow Jones (fut.)	84.68	85.17	73.57
Fishers	106.6	106.5	95.1
Monthly Indices			
Canada (D.B.S.):			
Retail (May)†	116.1	115.9	109.4
W'sale (May)	95.2	95.0	88.8
U. S. (Apr.)	98.8	97.6	83.2
Gt. Brit. (Mar.)	158.8	158.5	150.9

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Commercial Alcohols New Unit Nearly Ready

From Our Own Correspondent

MONTREAL.—Commercial Alcohols Ltd. will bring its new plant for producing industrial alcohol from wheat into operation Aug. 1. This unit, to cost between $150,000 and $160,000, is being built at the request of the Dominion government.

The company has been using molasses from the West Indies as its raw material for industrial alcohol. New supplies have not been available for some time, but there are sufficient quantities on hand to last well into July.

Output of the company, it is officially stated, is considerably more than double its prewar total.

Canadian Clubs Association Elects Its New Officials

At its recent annual conference, held in Toronto, the association of Canadian Clubs elected the following officers for the coming year:

Senator NORMAN M. PATERSON, Ottawa, president.

PAUL A. McFARLANE, Montreal, Mrs. F. J. ROLSTON, M.L.A., Vancouver, B.C., vice-presidents.

A. G. MORDY, Ottawa, treasurer.

The Commitee:

Mrs. Walter Molson, W. B. Scott, K.C., C. A. Morrison, Montreal; Mrs. Owen Toller, C. H. Bland, Ottawa; Mrs. C. C. Goldring, J. G. Godsoe, J. Glendenning, Miss Mabel Olley, Toronto; Mrs. F. L. Lloyd, C. E. Joslyn, Winnipeg; Dr. H. M. Tory, Ottawa; the president of the regional council of Canadian Clubs in B. C.; Dr. J. Carleton Stanley, Mrs. H. M. Wood, Halifax; Mrs. T. H. Morgan, Montreal; Hon. Mr. Justice J. D. Hyndman, Miss Edna Inglis, G. Harold Burland, Mrs. G. D. Finlayson, Ottawa; D. M. Gowdy, Mrs. C. D. H. MacAlpine, J. R. Longstaffe, Toronto; L. N. Buzzell, Montreal; Rev. Peter Dunn, Hamilton; Mrs. Geo. Cockshutt, Brantford; Mrs. James Logan, Parry Sound; W. J. Young, Mrs. A. J. Irving, Saskatoon; Mrs. M. A. MacPherson, D. M. Balfour, Regina; Mrs. Alex. Gammie, D. W. Clapperton, Mrs. B. L. Cook, Calgary; Mrs. Thos. Cox, Walter MacDonald, Edmonton; Hon. Mr. Justice A. K. Dysart, Geo. V. Ferguson, Sidney Smith, H. W. Manning, Winnipeg; Dr. J. S. Thomson, Saskatoon; A. E. Jukes, Vancouver; Edmond Chasse, Quebec.

Wheat Prices

Winnipeg Grain Futures

Week to June 27, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close June 27
		Wheat			
.82⅝	.77½	July	.80⅝	.80⅝	.80⅝
		Oats			
.51⅝	.42⅛	July	.51½	.51½	.51½
.50½	.46	Oct.	.49⅞	.49⅝	.49½
.48	.47⅝	Dec.	.48	.47⅝	.47⅝
		Barley			
.64¾	.55⅛	July	.64¾	.63¼	.64¾
.63⅛	.57	Oct.	.63⅜	.63⅛	.63⅛
.62⅝	.62⅝	Dec.	.62⅝	.62⅝	.62⅝
		Rye			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Cash Quotations

	For Week June 27 High	Low	Prev. Week High	Low
Wheat:				
1 Hard	.80⅝	.80¼	.80¼	.80
1 Nor.	.80⅝	.80¼	.80¼	.80
2 Nor.	.77¼	.77⅛	.77⅛	.76⅝
3 Nor.	.73⅝	.73½	.73⅝	.73½
4 Nor.	.71¾	.71⅝	.71¾	.71¾
5 Wheat	.69⅞	.69⅞	.69⅞	.69⅝
6 Wheat	.67⅞	.67⅞	.67⅞	.67⅞
Feed	.65⅜	.65⅜	.65⅜	.65⅜
Oats:				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley:				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye:				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIVIDEND NOTICES

ZELLER'S LIMITED

Notice is hereby given that the Directors of Zeller's Limited have declared the regular quarterly Dividend of one and one-half (1½) percent (37½ cents) on the Preferred Shares payable August 1st, 1942, to Shareholders of Record July 15th, 1942.

ZELLER'S LIMITED

Notice is hereby given that the Directors of Zeller's Limited have declared a quarterly Dividend of 20c per Share on the No Par Value Common Shares, payable August 1st, 1942, to Shareholders of Record July 15th, 1942.

BY ORDER OF THE BOARD
T. E. McDermott,

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 239

Notice is hereby given that a dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st July, 1942. The dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of August, 1942, to shareholders of record of the 15th July, 1942.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 11th June, 1942.

Little Long Lac Gold Mines Limited

25 King Street West, Toronto, Ontario

Dividend Notice Dividend No. 19

Notice is hereby given that a dividend of 10c. per share has been declared by the Directors of Little Long Lac Gold Mines Limited, payable in Canadian funds on July 15th, 1942, to shareholders of record at the close of business July 3rd, 1942.

By Order of the Board.
G. S. Blacklock,
Secretary-Treasurer.

The Corrugated Paper Box Company, Limited

PREFERRED STOCK DIVIDEND NO. 30

Notice is hereby given that dividend No. 30 of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of September, 1942, to shareholders of record at the close of business on the 15th day of August, 1942.

Dated the 25th day of June, 1942.

[illegible]

THE CANADIAN CONSOLIDATED GRAIN
COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

PARRISH & HEIMBECKER LIMITED
Incorporated 1909
Grain Receivers
Shippers and Exporters
HEAD OFFICE: WINNIPEG
BRANCH OFFICES:
MONTREAL TORONTO PORT ARTHUR
CALGARY EDMONTON
VANCOUVER
"An old established firm with a reputation for doing business RIGHT"

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

FEDERAL GRAIN
LIMITED
Our Service and Facilities Guarantee Satisfaction

Since 1857
James Richardson & Sons
LIMITED
Grain Merchants
Shippers and Exporters

HEAD OFFICE
WINNIPEG
Branches Throughout Canada

The Canadian Bank of Commerce

Dividend No. 222

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1942, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st August next, to shareholders of record at the close of business on the 30th June, 1942. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 19th June, 1942.

Cochenour Willans Gold Mines, Limited

(No Personal Liability)

DIVIDEND NOTICE
INTERIM DIVIDEND NO. 5

NOTICE IS HEREBY GIVEN that an interim dividend of three cents per share in Canadian funds has been declared on the issued capital stock of Cochenour Willans Gold Mines, Limited, and will be paid on the 25th day of July, 1942, to shareholders of record at the close of business on the 10th day of July, 1942.

By Order of the Board.
G. M. HUYCKE,
Secretary.
Toronto, Ontario, June 23rd, 1942.

Canadian Bronze Company, Limited

DIVIDEND NOTICE

The quarterly Dividend of 1¼% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of August, 1942, to Stockholders of record as of the 10th day of July, 1942.

Also a quarterly Dividend of Thirty-seven and one-half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending July 31st, 1942. Payable the 1st day of August, 1942, to Stockholders of record as of the 10th day of July, 1942.

By Order of the Board,
W. C. PAQUETTE,
Secretary.
Montreal, P.Q.,
June 25, 1942.

The Steel Company of Canada Limited

PREFERENCE DIVIDEND NO. 124

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Preference Shares of the Company has been declared for the quarter ending June 30, 1942, payable August 1, 1942, to shareholders of record at the close of business July 7, 1942.

By Order of the Board.
H. S. ALEXANDER,
Secretary.
Hamilton, Canada, June 26, 1942.

The Steel Company of Canada Limited

ORDINARY DIVIDEND NO. 182

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Ordinary Shares of the Company has been declared for the quarter ending June 30, 1942, payable August 1, 1942, to shareholders of record at the close of business July 7, 1942.

By Order of the Board,
H. S. ALEXANDER,
Secretary.
Hamilton, Canada, June 26, 1942.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 359

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 15th day of July, 1942, to shareholders of record at the close of business on the 30th day of June, 1942.

Dated the 24th day of June, 1942.
F. C. FINLAY,
Secretary.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1942.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1942.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1942.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal,
[illegible]

Base Metal Boomlet May Be on the Way As Washington to Finance Mines Here

Announcement from Washington that the Reconstruction Finance Corporation has agreed to finance development of marginal and sub-marginal deposits of copper, zinc, lead and graphite here is expected to be of far-reaching importance to Canada. Acting in co-operation with the Metals Controller George C. Bateman, the Washington authorities have not only agreed to opening up and placing known properties in production but are also reported to be willing to finance prospecting for new properties.

Taken with the new exemption of strategic mineral producers granted by the excess profit tax last week, it is thought that Canada may soon be in for a strenuous period of opening base metal mines.

No Formal Agreement Yet

An Ottawa statement of Mr. Bateman was to the effect that arrangements are being made for placing some marginal deposits in production but no formal agreement had yet been made. Fact that the original announcement was made from Washington is taken as meaning that Washington has decided that Canadian possibilities of increased base metal production cannot be overlooked.

With smelter and refining capacity already being used to the full, it is thought that increased production will probably have to be shipped to the United States in concentrate form.

Expand Present Producers?

So far placing of marginal properties in production has been stressed but it is thought that the possibilities of expanding production at present mines will not be overlooked. Considerable work has already been done but it is believed that there is still more that can be accomplished in this direction.

From the statement made in Washington, it appears possible actual cash advances are in prospect for expansion. Presumably, priorities for equipment will be available and expansion of facilities will be speeded. Bonus prices, similar to those in the United States might be available for new production brought in.

Copper appears to be one of the metals whose output can be increased most readily. Here is a brief outline of the situation for this metal as it appears at present:

Some time ago, it was reported that Sherritt Gordon Mines had been approached with a proposition that it increase copper output by 15-20% at a cost of around $100,000 in equipment. If this plan should be accepted—details are not available—the concentrates would have to be shipped to the United States due to lack of extra smelting capacity at Hudson Bay Mining & Smelting.

Waite-Amulet is understood to be another prospect for increased copper production. It is reported that the Waite-Amulet situation has been reviewed with Ottawa in recent months but apparently no definite agreement has yet been reached.

Hudson Bay Position

It is not believed that a step-up in capacity would be considered feasible at Noranda but further expansion might be placed in effect at Hudson Bay Mining & Smelting Co. Expanding at a rapid rate to add to available nickel supplies, International Nickel and Falconbridge Nickel will likely add to copper output, it is believed.

Granby Consolidated, in British Columbia, is mentioned as one producer likely to increase output. Ore reserves have shown steady growth at Granby, now totalling about 17 million tons, an increase of about 70% in the last five years. Considerable expansion has already been accomplished.

Placing marginal mines in production would take considerably longer than expansion of present mines. However, there are a considerable number of properties that might be placed in production, granted a sufficiently high price for the red metal. Hollinger, for instance, holds a large copper property in the Kamiskotia area, 17 miles west of Timmins. Possibilities of this property have been reconsidered since the outbreak of war.

Smelters Has Mines

Consolidated Smelters has a number of copper properties which couldn't be operated at 10-cent copper but which might be placed in production at a higher copper price. Smelter's Anyox property was estimated back in 1937 to possess upwards of 2.2 million tons of recoverable ore. Subsequent diamond drilling indicated 3,750,000 tons of ore in a new ore body with a slightly higher average copper content than the 2.2 million tons. No facilities now exist for treating this ore at Anyox, the former smelter having been dismantled.

Besides its Anyox property, Consolidated Smelters has its Coast Copper, George Gold-Copper and Sunloch mines which might be capable of production.

Turning back to eastern Canada, the old Eustis mine in Quebec, which closed down not so long ago, might be able to resume production.

In Sudbury, Ontario Nickel is planning to produce and may turn out some copper as a by-product. It is understood prospecting for copper is going on in the Sudbury area. In the Rouyn area, it is possible that another look may be taken at the old Quemont property of Mining Corporation of Canada. Lake Dufault Mines is carrying on a diamond drilling programme and discovery of a copper ore body there might result in a new agreement with Waite-Amulet to secure its treatment.

As discussed elsewhere, numerous copper showings were turned up in the Romaine River area of Quebec last year, and a number of major mining companies are showing an interest in the area's possibilities this year.

Lead Possibilities

Greater lead production will probably be sought from western Canada, long the home of this part of Canada's base metal producing industry. But the old Treadwell Yukon properties in Sudbury may also be reopened. Consolidated Smelters is understood to have other properties besides its great Sullivan mine in British Columbia which can turn out this metal in case of necessity. The problem of equipping them will probably be the most important factor although developing ore bodies to the point of production will also take time.

Zinc is usually the by-product of copper or lead production in this country. Increased production of copper and lead will almost certainly mean a greater production of zinc, it would appear. Some mines which have zinc values in their ore not at present being recovered might possibly be approached to start recovery.

Work now being carried out by the War Metals Advisory Board, as noted elsewhere, will probably be of great importance to the projected programme. It will help the United States authorities, through Canada's Metals Controller, to determine the best place to spend money to secure increased production.

Kirkland Hit By 'Freezing'?

Base Period Could be "Joker" In Their Case

Freezing gold mining tonnage at the average of the first four months of 1942 would not affect the majority of Canadian gold mining operations but there are two notable exceptions where the effect could be most serious.

The first exception is Canada's Kirkland Lake Gold mining belt, most of whose mines were practically closed down between Jan. 1 and Feb. 10 due to the abortive C.I.O. strike.

The second exception is mines which have been expanding their mill tonnage this year, the most important company in this bracket being Malartic Gold Fields which has installed equipment to step up tonnage from 650 to 1,000 tons daily.

Certain discretionary powers are to be given the Metals Controller under the new order to allow adjustment in cases regarded as requiring special consideration. Possibly Kirkland Lake producers and newly expanded producers might be regarded as being in this category.

Mines in the Kirkland Lake are only now getting back to normal after the strike. In certain instances, strict application of the new order would force a cut in the existing mill rate even though a company is not yet fully "back to normal."

Certain mines such as Teck-Hughes and Lake Shore have not planned to return to their pre-strike milling rate and the new order would not perhaps be so serious for them. But Macassa, Kirkland Lake and Sylvanite could be affected seriously by strict application of the new ruling.

Rank and File Unaffected

To the rank and file of gold producers across Canada, including the major producers in the Porcupine, Siscoe-Lamaque, Manitoba and British Columbia gold mining areas, no perceptible change in the basis of operations appears necessary due to the Dominion Government's order. In some instances, such as Dome, companies in recent weeks have had to curtail their tonnage slightly due either to existing shortage of labor in gold mining fields or due to current difficulty of securing adequate supplies. Labor has perhaps been a more pressing problem than supplies to date. Under the new legislation, it might be possible to treat a slightly higher rate than that existing now but this is unlikely with existing labor shortage.

Bars New Producers

The new legislation effectively bars any new gold mining operation from commencing production. In practice, however, this is not viewed by gold mining men as a serious development, since practical difficulties of securing equipment and supplies prevented new properties being brought into production already. Even if equipment and supplies could be secured, it was already necessary to secure a license for any construction over $5,000. Practically none of Canada's gold mines is carrying out expansion or has completed any expansion in recent months. Outside of "Gold Fields" production schedules are not expected to be thrown out of kilter by the new ruling.

East Malartic Affected?

Plans of East Malartic Mines may be affected by the new ruling. Rate of production the first four months of 1941 showed an average daily tonnage of about 1,450-1,500 tons compared with the rated mill capacity of about 1,800 tons.

While operators may regard the new ruling as hardly fair as far as Kirkland mines are concerned, they will probably prefer to have the "freezing" of gold mines based on mill tonnage rather than value of output. If a new "strike" of high grade ore is made, it will still be possible to increase production while treating the same daily tonnage. The expenditure of effort need not be greater although the dollar output may be higher.

Basing "freezing" on tonnage also allows operators to offset increased costs by treatment of somewhat higher average grade of ore. There is a limit to the extent that this can be carried out, but at certain mines such as Hollinger and McIntyre Porcupine it would likely be possible to treat a higher average grade of ore if desired. However, the managements of both mines have taken the long point of view and there may be no change in operating practice.

Under the new order, gold mine tonnage is frozen at the average daily rate in effect the first four months of this year. The following figures for the first three months of 1942 indicate how some key producers could be affected:

	Daily rated capacity tons	Aver. last year tons	Aver. first quarter tons
Kirkland Lake ..	400	375	217
Lake Shore Mines	2,500	1,450	688
Macassa Mines ..	400	390	224
Sylvanite	600	541	396
Teck-Hughes	1,200	▲731	*249
Wright-Hargreaves	1,200	†1,201	701

*Four months of 1942. †Fiscal year.
▲16 months to Aug. 31, 1941.

The Week In Oils

From Our Own Correspondent

CALGARY.—A further speeding up of the western "wildcatting" programme—an almost weekly occurrence now—has been revealed with the announcement that Hi-Test Petroleums of Toronto will carry out a five-well programme on the semi-proven Taber structure.

The initial Hi-Test well has been spotted approximately half way between the Plains Petroleum producing No. 2 well and the recently drilled Standard of British Columbia well which is now on test. The contract for five Hi-Test wells has already been let to General Petroleums. Hi-Test Petroleums is headed by Glen L. Wilton, Toronto lawyer.

* * *

Tax Concessions Help

Special tax concessions have been playing a key part in the Dominion's programme to secure a testing of all the likely "structures" for oil existing in western Canada. Standard Oil of B. C. has secured tax concessions under two agreements tabled in the House of Commons.

As income tax rates become still higher, tax concessions can be made still more attractive if this proves necessary to secure the desired drilling. Practically all the major Canadian oil companies, and many of the important American companies are now carrying out test work. If the number of wells at present being drilled means anything, chances of securing new oil fields are perhaps better now than at any previous time. Exhaustion of many promising bets for new oil fields in the United States is undoubtedly causing greater attention to be paid to Canada now.

* * *

Oil Royalty Taxes

As explained last week and further detailed in this issue, oil royalty companies are to be regarded as ordinary companies for purposes of taxation. Their income is to be subject to both corporation tax of 18% and excess profits tax. Ottawa confirms this view and there seems to be no reason for believing that the new legislation will not "stick" as suggested in some quarters.

As regular companies, the royalty companies will be allowed exemptions for depletion, depreciation charges and amortization of development, it is believed. This will serve to reduce the amount of tax from the apparent total minimum assessment rate of 40%. Whether further wells drilled will get special tax exemptions is not clear. If well drilling is to be continued, many oil men think this will be essential.

* * *

Four Wells Stop

Applications for "temporary abandonment" of four north Turner Valley extension wells have been approved by the Conservation Board. "Temporary abandonment" means a suspension of drilling and setting of a cement plug to seal the hole in such a manner that the hole can be resumed by drilling out the plug, or can be left permanently without further abandonment procedure.

The four wells covered by the applications are: Admiral No. 1, Major Oil Investments No. 5, Major Oil Investments No. 10, and Major Oil Investments No. 11. These four wells are all located north of Major No. 12 the most northerly of the wells still drilling. The well is down 8,344 ft. and it is hoped that it is near the Home sands which are usually 300 to 600 ft. above the Madison limestone. Results at this well will probably have a lot to do with the fate of its four northerly neighbors "temporarily abandoned."

* * *

Tar Sand Situation

Are McMurray's tar sands close to a decision as to production plans by the Dominion government? Last week in the budget, tar sand "mining equipment" was made exempt from tariff taxation. This week, further investigations are reported commencing with the engineers of Consolidated Mining and Smelting Co. in charge.

The tar sands have long been a bone of contention. There has been general agreement about the oil being there but turning it out and marketing it commercially has seemed to present insurmountable obstacles to many oil men. However, some oil has been turned out from the sands recently and while there are difficulties, it appears that they are mostly technical problems. It looks now as if these problems can be worked out given time.

Bralorne Turning To Base Metals

From Our Own Correspondent

VANCOUVER. — Bralorne Mines from now on will give more attention to the development of base metals, although its big Bridge River mine will continue in full production.

The Buccaneer mill was closed recently chiefly because of difficulty in maintaining a crew, but the company will take out ore under contract and high-grade is now being shipped to the Tacoma smelter of American Smelting & Refining Co. The Bralorne company has its own crew at work on the Prosper group of claims, recently acquired in the same district from Guppy and Wallace, and ore is also being shipped from there to Tacoma.

Development is being continued on the Parker copper claims on Alberni Canal but the option on the Canadian Tungsten property in the Yukon has been abandoned as reports of the engineers were unfavorable. Ventures and other eastern companies had been interested in this option.

Spokesmen for the company said that Bralorne crews are making an intensive search for base metals in several parts of the province and that the commencement of diamond drilling on the Parker claims on Alberni Canal was indicative of progress in this direction. It is described, however, as a "long shot."

Vancouver Island is well known as copper country, although since shutdown of the Mount Sicker camp's Tyee mine very little has been produced.

Smelters Still Working On Tar Sand Investigations

Possibilities of securing major oil production from the vast tar sand deposits of the McMurray area, Alberta, are still being looked into by Consolidated Mining and Smelting Co. of Canada.

Officials and engineers of Consolidated Smelters and Abasand Oils—the operating company in the McMurray area—were in conference early this week as an attempt is made to work out the problems facing the carrying through of this enterprise.

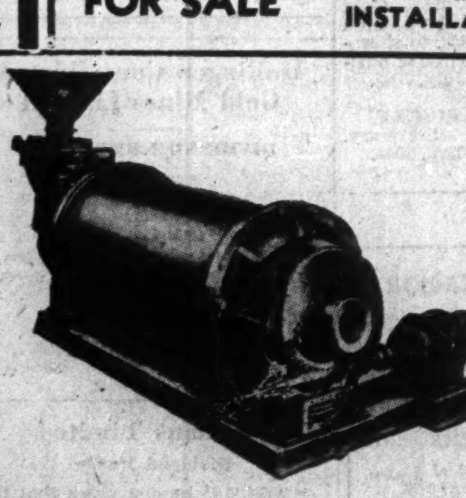
W. S. Kirkpatrick of Calgary, manager of Alberta Nitrogen Products, being managed by Consolidated Smelters for the Dominion government, was one of the attendants at the conference held in Edmonton. Mr. Kirkpatrick was a member of the party which looked over the Abasand operation recently.

In an interview, Mr. Kirkpatrick is reported to have stated Consolidated engineers will be going to McMurray to make further detailed investigations of the oil sands, as the Federal Government wants to make an inventory of the resources. After receiving the findings of the party that visited the tar sand area recently, the government is understood to have given an order for a more detailed study of all possibilities of the oil sands.

Abasand is stated to have given every assistance in the investigations being carried on by the Dominion government.

The tar sands, according to reports of the Dominion government and the U. S. Bureau of Mines, contain many times as much oil as the proved reserves in oil fields of the entire world.

FOR SALE PULVERIZING MILL INSTALLATION

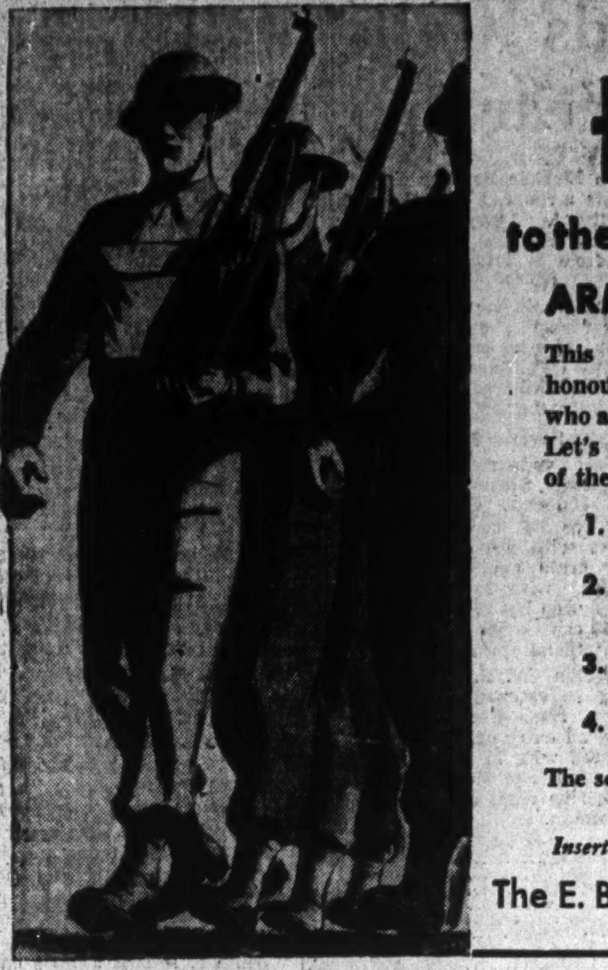


Pulverizer for Coal (Air-Swept Tube Mill)

This mill has been in operation giving satisfactory service and was replaced recently by the owner, only because a unit of much larger capacity was required.

This 3'6" x 8'0" mill is in excellent condition. It is a worm driven machine with the worm gear drive built integral, as shown in illustration. The mill is now equipped with 25 cycle motors; the purchase of these is optional. Also included are, exhauster fan and duct piping for carrying pulverized fuel to furnaces. Mill could also be used for fine grinding of clinker, rock or certain ores. Offered at an attractive price for immediate sale.

The WM. KENNEDY & SONS Limited
OWEN SOUND, ONTARIO



HATS OFF

to the men who will "Finish The Job"!

ARMY WEEK—JUNE 29—JULY 5

This week presents us all with the opportunity to honour the gallant young men of Canada's new army who are giving up so much, that we may live in freedom. Let's show them how grateful we are, and how proud of their splendid efficiency.

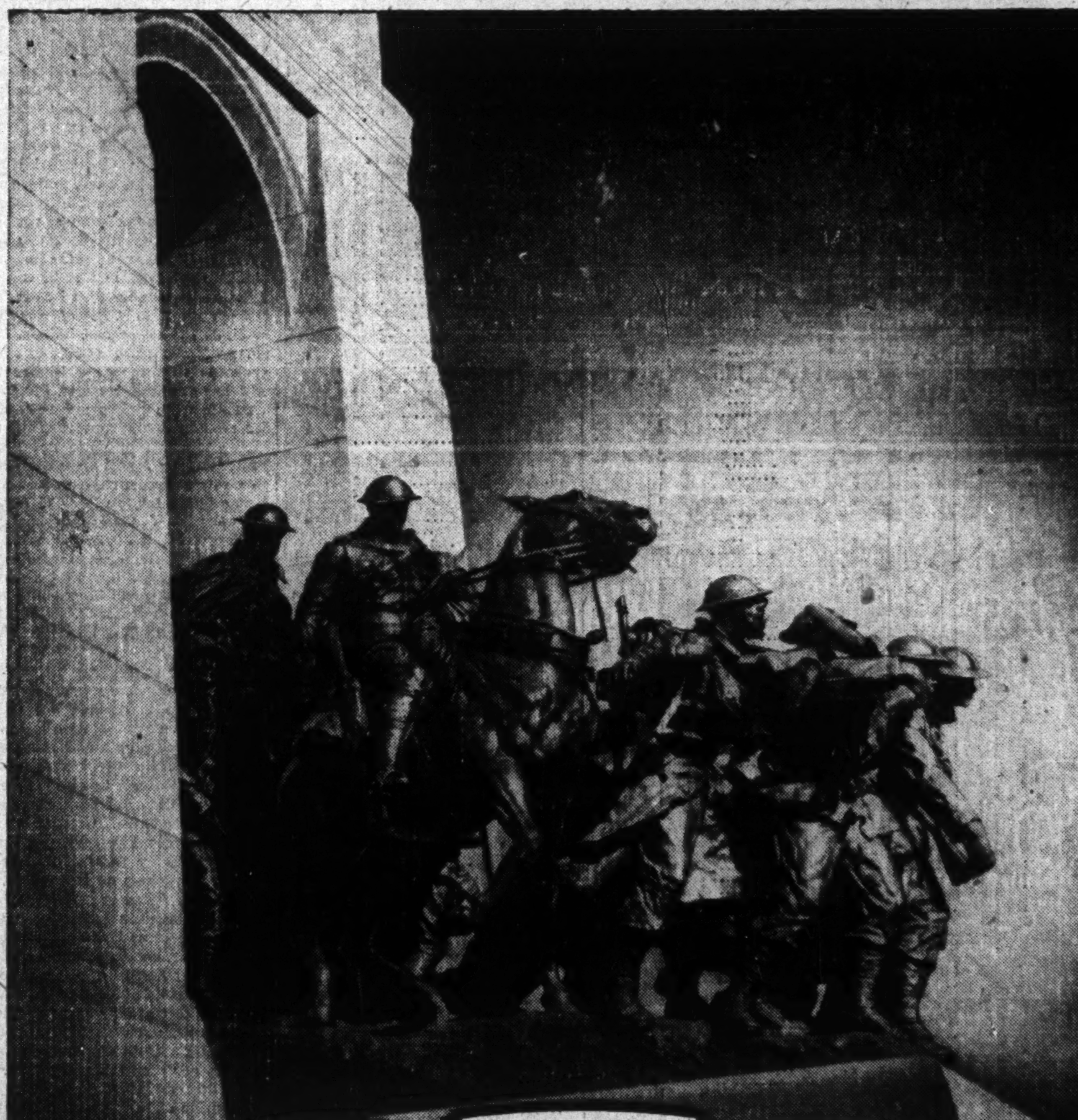
1. Turn out *and cheer* at the parades taking place during Army Week;
2. Visit the training camps where demonstrations of military tactics are being put on for our benefit;
3. Entertain one or more soldiers—to dinner, dances, parties;
4. Send extra parcels to one or more of the boys overseas.

The soldiers *need* your co-operation, don't let them down.

Inserted as a tribute to the men of Canada's fighting army by

The E. B. EDDY Company Limited, Hull, Canada

42-4



Again Canada's Army Marches On to Victory!

From the heroism of yesterday is born the inspiration of today. Once again Canada sees her army in gathered strength. Once again her sons have rallied from the nine provinces to fight for a newer order, a greater freedom, a better world.

Good Luck to the men of Canada's Army as they march on to victory ... behind them the imperishable history of their fathers ... before them the destiny of democracy.

Published in tribute to Canada's Army by

DUNLOP

MANUFACTURERS OF THE WORLD'S FINEST TIRES

When Is It Worthwhile To Mine a Deposit?

Time and Shortages May Outweigh Ore Grade

By GORDON M. GRANT

A complete census of all Canada's possibilities for increased production of strategic minerals is the Herculean task facing the War Metals Advisory Committee recently formed by Metals Controller George C. Bateman.

To the old standards of ore grade and mining costs the committee must add factors of time and scarcity. How long it will take to get a property in production, how scarce is the metal to be produced, are in wartime more significant than the immediate profitability of working a given deposit.

In surveying a property for its possibilities, there are at least three key factors it is planned to keep in clear perspective. Briefly, these are:

1. The cost per pound of turning out a given metal from a particular property.
2. Capital expenditure that would be required to place a property in production.
3. Length of time required to place a given property in production.

Under certain circumstances, it is pointed out that it might be desirable to place a property in production even though the cost per pound for production were high, granted production could be secured in a relatively short time and a low capital cost.

Material Needs Important

Use of critical material—for which war industries may be competing—is a very important item. Even though the cost of production, capital cost, and time required to reach production all seem satisfactory, the project definitely has to be weighed from the standpoint of consumption of critical materials.

The Metals Controller is charged with the responsibility of making the final decision as to which properties justify development when a question of government assistance is involved. Before the government will make extensive advances, it will probably be required that a well-defined mineral deposit be available. Guesswork must be reduced to a minimum and eliminating guesswork is the task of the committee.

When a new find of some strategic mineral is made, it is now becoming usual practice to have the party that knows the most about the type of mineral concerned look into it. For instance, Chromium M. & S. Corp. might be asked to look into the possibilities of a newly discovered chrome deposit, Ventures into a nepheline find, Smelters into mercury, etc.

Budget a Help

Last week's budget gave considerable encouragement to the business of developing strategic mineral resources. Besides the exemption for income tax purposes of up to $5,000 spent on prospecting, new producers of strategic minerals were granted exemption under the excess profits tax. It is expected that only the 18% corporate tax will have to be paid by new producers for the first three years and that the ceiling on profits provided by the 100% excess profits tax clause will not apply to new producers of strategic minerals. This taxation situation will help the new committee by stimulation of war metal exploration.

Part of the War Metal Advisory Committee's job is to survey possibilities of securing production from marginal and sub-marginal properties. Although it has hardly penetrated public consciousness as yet, production from marginal properties has already been invited.

Molybdenite ore early this year was selling at 45 cents per pound of contained MoS_2 in the United States. The Post has heard reports that the Dominion is now willing to pay anywhere from 98 cents to $1.50 a pound of contained MoS_2, depending on the grade of ore available. A number of contracts have already been completed allowing payment of bonus prices.

The situation in this metal has become so tight that the United States, which turns out 90% of the world's supply of this metal, is unable to take care of the United Nations' requirements. There are at least 300 known occurrences of molybdenite in Canada (molybdenite is the ore of molybdenum) and the chances of securing substantial production are good.

Tungsten and vanadium are two metals of which we are short in this country and both are likely candidates for aid. Some vanadium can be secured by placing collectors on oil-burning vessels but a new source is needed.

Records Made Available

To assist the new advisory committee in its work, access to the records of government bureaus, mining companies and private engineers and geologists has been requested by the Metals Controller and assurance has been received that such records will be made available. Reports and data supplied to the secretary of the committee or to the committee itself will be treated as confidential and made available only to the Metals Controller.

Chief of the metals to which the committee will pay attention are nickel, copper, lead, zinc, tin, manganese, molybdenum, tungsten and vanadium. Not only will possible new sources be investigated but work will be done on ways and means of securing greater output from existing installations.

Initiated by the Canadian Institute of Mining and Metallurgy, the War Metals Advisory Committee has on its membership representatives of some of the largest mining groups in Canada—the Timmins, Lindsleys, etc. It might be thought by this that the committee is only interested in dealing with larger mining companies. This is not the case. As expressed to The Financial Post, co-operation and direct contact with the prospector and the "little fellow" are essential if the committee's work is to be successful.

Only A Reporting Body

The Advisory Committee is merely a reporting body, sifting information and perhaps examining a property before making a confidential report on its findings to the Metals Controller, who makes the final decision.

The committee, under the chairmanship of R. A. Bryce, president of Macassa Mines, represents a broad cross-section of the Canadian mining industry. Besides the mining men on its central committee, there are eight associate members representing a number of the provincial governments and the Ontario Prospectors and Developers Association. The committee is serving without remuneration.

A New Type of Survey

The work ahead of the committee is something new for Canada. Surveys of the Dominion Bureau of Mines and of provincial bodies have in the past been directed chiefly to the geological possibilities of the country as a whole and the unusual features of individual deposits rather than a dollars and cents analysis of deposits.

It is quite possible that work of the committee may give a more intelligent direction to development of this country's mineral resources than exists in peacetime. Aside from the fact that it may be necessary to bring into production properties that it would not be considered feasible to operate under ordinary conditions, the work of the committee may mean that the best deposits available will more likely be operated. Of course, the supply of materials may in certain instances dictate the bringing in of high cost rather than rich but "harder to open up" deposits.

Presumably, the committee will have available all the information concerning research going on in Canada regarding magnesium and extraction of aluminum from nepheline syenite. Possibilities of processes already worked out may have to be evaluated.

Oil Royalties

Producing Wells — Prices and Payments

	June daily allow. bbls.	May daily allow. bbls.	Mar. roy. pay. 1% $	Apr. pay. 1% $	May pay. 1% $	Paid to May 30 1% $	Dealers offering price† 1%
Ace. No. 1 gross	539	522	264.90	242.98	241.82	2,679.13	$ 8,000
Alta. Oil Inc. No. 1 gr.	109	114	65.60	53.20	52.40	3,347.20	1,700
Do., 1 net	109	114	56.00	44.40	42.00	3,676.80	1,200
Do., No. 2 gr.	573	565	251.20	229.20	....	*4,572.00	9,000
Do., No. 2 net	573	565	229.20	208.80	231.60	4,877.00	7,300
Allied No. 1 pfd.	100	100	50.17	44.63	....	*486.69	1,600
Arrow No. 1 net	163	118	85.20	77.20	....	*1,215.60	2,100
Do., No. 2 net	203	207	86 00	76.40	....	*1,138.20	2,900
Atlas No. 1 net pfd.	125	130	....	8.80	....	*8.80	1,900
Atlas-Br. D. No. 2 pfd.	746	750	....	....	466.80	466.80	10,700
D. & D. net pfd.	80	85	41.20	34.40	36.40	1,671.00	1,500
Drill. & Prod. No. 3 p.	135	150	....	....	....	......	3,750
Harris No. 2 gross	77	81	48.24	39.56	36.65	2,410.63	2,300
Do., No. 2 pfd. net	77	81	39.03	17.25	40.37	3,098.95	1,400
Independent No. 1 p.	245	250	152.64	150.65	....	*1,319.88	4,700
Do., No. 1 gr.	245	250	109.66	107.84	....	*1,466.14	4,800
Major Oil No. 1 pfd.	146	153	92.00	74.00	77.60	380.40	2,100
Do., No. 1 gr.	146	153	79.20	71.60	72.40	1,255.60	2,500
Do., No. 2 pfd.	708	744	485.20	446.80	430.40	3,071.40	7,600
Do., No. 2 gr.	708	744	367.60	334.40	331.20	3,263.60	10,000
Do., No. 2 dfd.	708	744	....	....	....	......	6,500
Do., No. 3 pfd.	850	872	638.40	549.20	534.00	3,661.60	9,500
Do., No. 3 gr.	850	872	456.00	406.00	396.00	3,358.40	....
Do., No. 3 dfd.	850	872	....	....	....	......	8,500
Do., No. 4 pfd.	480	536	185.60	384.40	325.20	895.20	6,300
Do., No. 4 gr.	480	536	341.20	276.40	248.00	1,376.00	7,500
Do., No. 9 gr.	...	...	....	....	....	......	7,500
Do., No. 9 pr.	...	...	....	....	....	......	8,800
Miracle No. 1 pfd. net	643	704	500.13	456.48	....	*3,477.23	7,600
Do., No. 1 dfd.	643	704	....	....	....	......	7,200
Do., No. 1 gr.	643	704	347.22	316.47	....	*3,230.19	10,000
Do., No. 2 pfd.	473	516	....	78.69	....	*78.69	6,000
Royalite-Model No. 1 gr.	194	197	....	....	....	......	4,600
Sunset No. 1 gr.	101	103	52.23	58.41	....	*6,769.47	1,900
Do., No. 2 gr.	80	85	43.15	39.57	....	*3,874.58	1,900
Twin Valley No. 1 gr.	168	176	82.35	73.15	....	*1,801.31	4,300
United Assets (deb.)	165	175	....	....	....	......	100
Vulcan Brown gr.	117	143	85.70	72.80	....	*7,955.02	4,300
Do., net	117	143	52.16	54.43	....	*4,799.64	3,100
Winalta No. 1 pfd.	100	105	72.80	54.40	....	*3,187.10	1,300
York No. 1 gr.	90	92	46.69	44.84	....	*4,645.01	2,250
Do., No. 2 gross	75	80	43.55	54.20	....	*1,482.54	2,250

†Usually approximately 20% over dealer's bid prices. *To April 30 only.

Drilling Wells — Prices and Depths

	Drilling depth ft.	Offering price per 1%		Drilling depth ft.	Offering price per 1%
Adanac, pfd.	3,318	*$4,375	Major Oil, No. 8 gr.	7,250	$8,300
Admiral, No. 1 pfd.	5,067	*4,375	Major Oil, No. 10 pfd.	6,816	*4,375
Admiral, No. 1 gross	5,067	5,000	Major Oil, No. 10 gr.	6,816	4,400
Atlas Br. Dom., No. 3 p	4,076	*4,375	Major Oil, No. 12 pfd.	8,344	*4,375
Bonaventure, pfd.	6,365	4,800	Major Oil, No. 12 gr.	8,344	4,800
Empire pfd. (Ontario)	....	1,100	Miracle, No. 3 pfd.	5,086	5,800
Ensign, No. 1 pfd.	cellar	*4,375	New Ranchmen's, pfd.	....	3,200
Hastings, No. 1 pfd.	7,652	*4,250	Northcion., No. 1 pfd.	3,369	*4,375
Lion-Davies, No. 1 pfd.	2,814	*4,300	Northcion., No. 1 gr.	3,369	6,500
Major Oil, No. 5 pfd.	6,481	*4,375	Northcross, No. 1 pfd.	2,455	*4,375
Major Oil, No. 5 gr.	6,481	4,800	Northcross, No. 1 gr.	2,455	4,800
Major Oil, No. 6 pfd.	5,630	7,200	Northend, No. 1 pfd.	7,478	5,300
Major Oil, No. 6 gr.	5,630	7,500	Northend, No. 1 gr.	7,478	5,800
Major Oil, No. 7 pfd.	8,229	8,400	Northend, No. 2 pfd.	4,432	4,300
Major Oil, No. 7 gr.	8,229	8,800	Northend, No. 2 gr.	4,432	5,600
Major Oil, No. 8 pfd.	7,250	7,600	Northend, No. 3 pfd.	8,048	4,800
			Northend, No. 3 gr.	8,048	6,500

*Pegged price.

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Madsen's High Grade at Depth May Boost This Year's Profit

From Our Own Correspondent

RED LAKE. — Disclosure of a sharp uptrend in values at the bottom or seventh level of Madsen Red Lake Gold Mines may result in treatment of a higher average grade of ore and greater profits toward the end of this year, it is believed.

Average grade of the substantial ore reserve of 794,600 tons at Feb. 28, 1942, was 0.185 oz. gold per ton after allowing for 20% dilution and the cutting of all high assays to a half ounce. Grade on the seventh level has been consistently higher than for ore reserves, as the following table for disclosures at this level shows:

Seventh Level Ore

Shoot:	Length ft.	Av. width ft.	Grade oz. au.	Tons per vert. ft.
South A	112.0	48.4	0.278	452
Central B	173.0	30.4	0.322	439
Central C	77.0	30.1	0.225	193
North D	96.5	22.8	0.254	183

This represents a total of 1,267 tons of ore to the vertical foot. While this tonnage is substantial, it is expected that continuation of development on this level will increase the tonnage rapidly. Development on the other new level at 950 ft. depth has so far exposed 1,793 tons of ore to the vertical foot, but grade is just under 0.2 oz., much lower than the average for the bottom level, it will be seen.

New Ore on Seventh

The drift north at the seventh level has now been in ore structure for the last 80 ft. with new ore bodies indicated in drilling to the northeast. Taking the weighted average of six ore sections in drill hole No. U-7-76 gives an average of 0.25 oz. across 16.2 ft.

A drift No. 710 is being driven in the main ore lens for box holing and stope preparation on the seventh level, with large dimension stopes to be carried through to the fifth level. Diamond drill blasting methods are to be employed, which should effect a material reduction in mining costs. As the higher-grade ore from these lower level stopes becomes available, the upward trend in production is expected to occur.

Reserve Over Million Tons

The favorable ore disclosures of recent months have given the mine a proved ore position in excess of a million tons, it is estimated, or the equivalent of seven years' mill feed at the current rate. Three drilling intersections to 150 ft. below the seventh level have indicated continuity of the outstanding grade and ore dimensions to that horizon. Doubling of the milling rate from 400 to 800 tons daily would be strongly indicated in normal times, but this is not likely to be possible now until after the war.

The company's Rouge d'Or property is a real bet for further ore disclosures and work in this section has already commenced showing ore. The exploratory drift north on the second level entered ore structure at 440 ft. north of the Madsen boundary or at 2,160 ft. northeast of the main shaft. The structure is stated to show typical heavily mineralized schisted tuffs. Transverse drilling has indicated an ore length of 90 ft. over widths of 5 to 7 ft. of better-than-average mine grade. A second ore body is indicated at 100 ft. to the northeast of lenticular dimensions over an extension of 70 ft. and a central width of 22 ft.

Drill hole No. U-2-150 A showed the following intersections: 0.62 oz. over 2.6 ft., 0.18 oz. over 2.4 ft., 0.78 oz. over 2.2 ft., 0.61 oz. across 3.5 ft., 0.14 oz. over 3 ft., 0.18 oz. across 2.9 ft., 0.12 oz. across 3.4 ft. and 1.18 oz. over 2.3 ft.

Raise on New Bodies

Raising is to be carried out on both these ore bodies, with diamond drilling above the level. The drift will be advanced northeast for further exploration along the folding porphyry hangingwall.

Production and operating profits in the first three months of the current fiscal year show a sharp upward trend as shown by the following figures:

1942	Tons milled	Output value $	Recov. per ton $	Operat. profit $
March	12,721	111,616	8.78	44,045
April	12,463	123,228	9.89	50,075
May	12,662	135,000	10.63	65,359
Total	37,846	369,844	9.78	159,479

Production and profits for May are closely approximate and subject to final adjustment.

In the year ended Feb. 28, 1942, net profit of $197,675 was equal to 5.6 cents a share. Operating profits totalled $425,650. With an operating profit of roughly $160,000 for the first quarter of the current fiscal year, it appears profits are running considerably higher than last year. A reduction in exploration and development is stated to be planned and this should also have a favorable effect on the company's earning position.

Mining Concentrates

Big Missouri Mines Corp has announced officially permanent abandonment of the Big Missouri mine in the Portland Canal district of British Columbia. Dismantling of equipment was commenced several months ago.

• • •

Buffalo Canadian Gold Mines balance sheet as at Dec. 31, 1941, shows $4,641 cash, 105,600 shares of Delnite Mines carried at $28,500 (market value $63,300), 100,000 shares of Avalard Mines and shares in other mining companies carried at $8,610. Accounts payable were $783. Claims in Beauchastel twp., Quebec, owned through a wholly-owned subsidiary Montmagny Gold Mines, have been kept in good standing but no further work has been completed.

• • •

Central Porcupine Mines carried out 5,000 ft. of diamond drilling to explore the Digby Vet claims to depth in 1941. While a number of quartz veins were encountered, no values were returned. Surface trenching and stripping were carried out during the fall on the western part of the property in a zone where preliminary sampling indicated commercial values. Several low assays were returned and further work is believed justified. Balance sheet at Dec. 31, 1941, reports investment in Dominion bonds worth $9,950 and shares in other companies at $181,484. Current liabilities were $50, leaving working capital of $201,846. Expenditure for the year on exploration, etc., was $14,654 which was offset by investment income of $12,713. Write-offs totalled $4,511, leaving a $6,451 deficit for the year.

• • •

Cochenour-Willans Gold Mines has declared a dividend of 3 cents a share payable July 25 to shareholders of record July 10. This is the fifth dividend of 3 cents a share the company has paid.

• • •

Denison Nickel Mines states 150,000 shares have been sold to I. H. Kurtz, Toronto, at 4 cents a share with payment already received. Issued capital is now 3,049,705 shares, leaving 450,295 shares in the treasury.

• • •

Gunnar Gold Mines is now treating solely ore from its optioned Ogama property which is located about eight miles by road from the Gunnar mine. Profitable ore in the Gunnar mine itself was exhausted in April, it is stated. Results to date on the Ogama property are reported to indicate that a small profit will be made on the known ore body and a three million share company is being formed to take over the claims. Owners of the property will receive 150,000 shares and Gunnar 183,333 shares and the right to take down additional stock at 10 cents a share for each $1 advanced for development work.

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Little Long Lac Gold Mines has declared an interim dividend of 10 cents a share payable July 15, 1942, to shareholders of record July 3.

• • •

Ontario Nickel Corp. is stated to be installing its hoist while the power substations have been placed on their foundations and are expected to be connected up this week. With the power line now completed, power will be turned on as soon as Hydro can make arrangements. The road has been put in good shape and there is a crew of 35 men on the property. When power is available, the mine will be dewatered and underground work in preparation of ore for shipment will be commenced.

• • •

Thompson-Lundmark Gold Mines realized an operating profit of $35,150 in May from production of $73,150. The mill handled 3,579 tons of ore for an average recovery of $20.44 in the period. Lateral work is proceeding on the Kim vein on the 450 and 600-ft levels, the crosscut on the former having cut the vein with work now under way. The vein has just been picked up on the 600-ft. level.

• • •

Young-Davidson Mines experience illustrates how gold mines are being hit by a labor shortage. President Weldon C. Young informed shareholders that daily tonnage has been reduced somewhat due to the supply of labor available. The mine has now little over 200 employees compared with the 300 usually employed. The mine, like many others, carried out extensive preparatory development before the shortage occurred and effect on production has not been great so far. Output totalled $528,934 from 124,368 tons of ore in the first five months of 1942 for an average recovery of $4.25 a ton compared with an average of only $3.96 a ton for all last year. Operating profit for the period was $145,235.

• • •

Yama Gold Mines, which has been handling dump ores, will soon be handling ore from the "E" ore zone.

Mining INVESTMENTS

Province of Quebec is taking further steps to stimulate prospecting efforts in that province. The Mineral Exploration Partnership Act has been drawn up to allow the formation of syndicates with a capital of $10,000 divided into 1,000 shares of $10 each. These partnerships are to be formed for prospecting and they present an easy, quick way of organizing parties for the purpose.

Personal liability under such partnership is limited to the paid-up value of shares and the partnerships do not come under the provisions of the Quebec Securities Act. The Corporation Tax Act, the Company's Information Act, the Security Transfer Act and the Partnership Declaration Acts do not apply.

Legal costs and formalities usually attending the incorporation of companies are being side-stepped and only registration is required. Due to the small cost of securing a charter for these new small companies, it is thought that more people will be willing to enter into the business of prospecting. The new step taken by Quebec links in well with the exemption from Income Tax provided for prospecting by the Dominion Government recently.

• • •

The budget had little initial effect on the market for Canadian gold and base metal stocks beyond a mild sell-off the first three or four days. After studying the situation, mining people agreed that little change had been effected in the position of gold producers through the complicated new tax procedure but that an additional clamp had been placed on any chance of higher earnings by the "100% excess" clause.

During the past year, some mining investors have made the point that stock markets have been dull at times due to certain individuals liquidating holdings to pay income taxes. Possibly there will be more of this type of liquidation in the future due to the higher tax rates and forced saving provision of the new budget.

• • •

The War Metals Number of The Northern Miner—its annual issue—gives a comprehensive and interesting review of the current war metals picture. The mining publication notes that the war will result in Canada having many new industries which will undoubtedly assume great importance after the war.

As the United States resources of high-grade iron ore become gradually exhausted, Canadian deposits may well be at least part of the answer to the American steel industry's iron ore problem. The possibility is also seen of a great steel industry developing in this country and, already, it is noted, Canada has assumed an important position in production of alloys and hydrides since commencement of the war. Canada has great supplies of the raw materials of both magnesium and aluminum, great potential assets for the post-war world, it is noted.

• • •

Delnite Mines is no longer the young struggling junior gold of a few years ago. The year 1942 is expected to be the best in the company's history, President E. L. Koons told the annual meeting last week. He would not forecast how taxes would affect earnings but expressed the opinion the mine will earn more this year than ever before. A dividend of 3 cents a share was paid recently and the meeting was told there was no reason at present why at least the same amount should not be paid in the last half of the year. Milling rate remains around 520 tons daily.

• • •

Zeballos, Vancouver Island mining camp, has probably been hit harder than any other Canadian gold mining area by the war. With Mount Zeballos, Spud Valley and Central Zeballos suspending production for "duration," the area will have only one remaining producer—Privateer Mine.

Indications suggest that Privateer will be able to continue operations unless the situation becomes much more onerous than at present. Suspension of milling at other properties has meant an increase in the available labor supply for the company and a number of extra men have been taken on to carry out certain developments. Central Zeballos has not suspended work entirely but is keeping on a crew to open up further ore on new levels, if possible.

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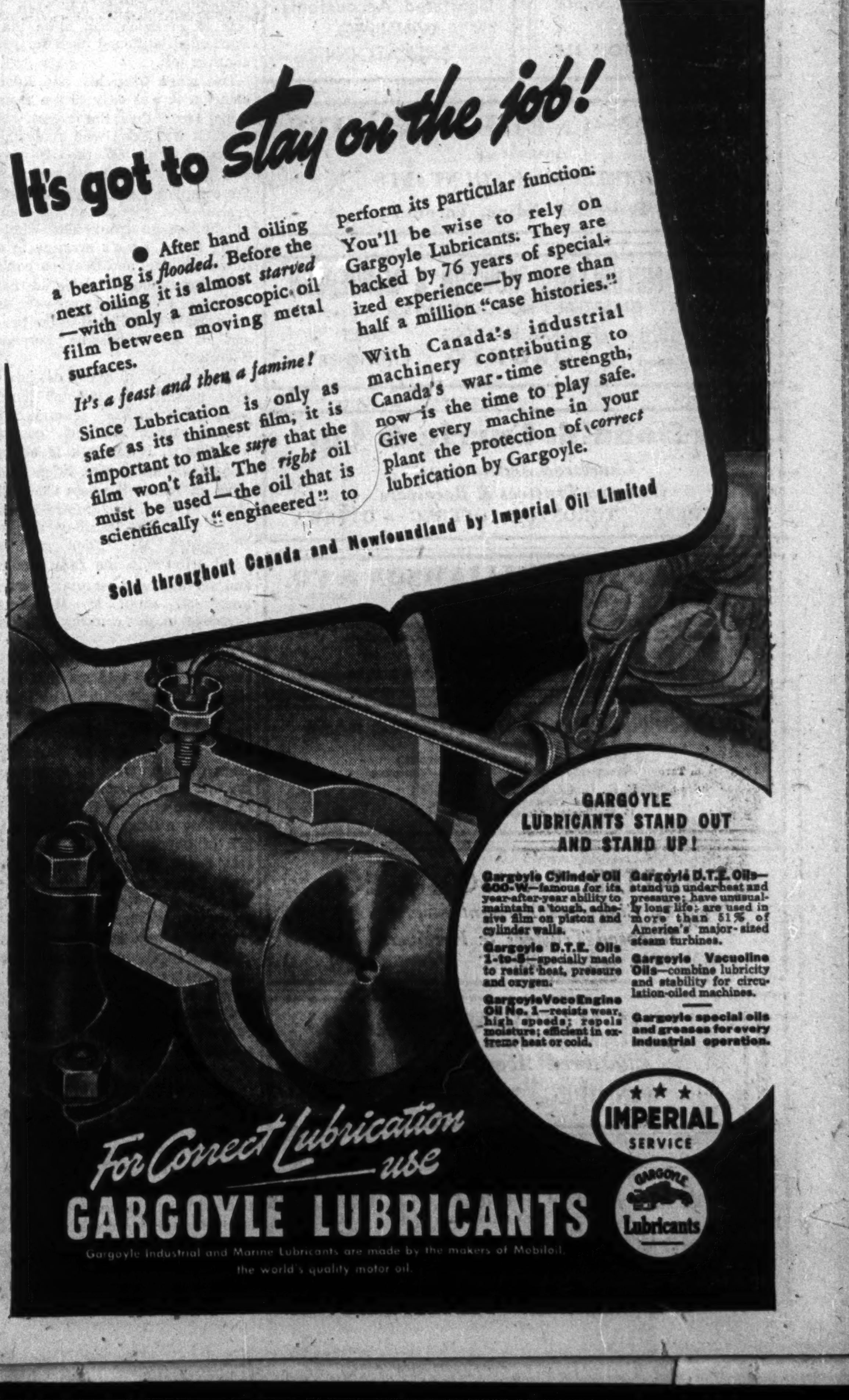

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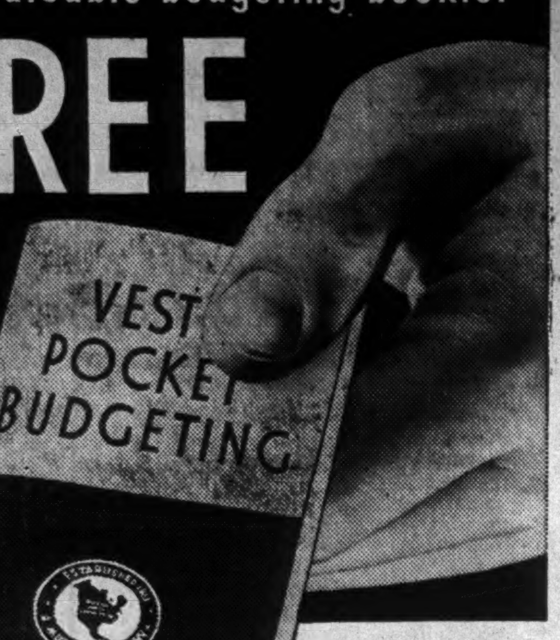

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Imperial Tobacco Co. of Canada is hit directly by the new taxes. This company, which is the largest cigarette manufacturer in the Dominion and also one of the largest cut tobacco producers, will, it is to be expected, have reduced sales. On sales of cigarettes, which normally sell 18 for 25 cents in Quebec, the smoker will now have to pay 29 cents. On packets of 22 sold elsewhere in Canada, except New Brunswick, the new tax will add 5 cents to the cost of a 25-cent package. Smoking tobacco will also cost the consumer more, though the rate is still less than for cigarettes.

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London Calling
by Adelphi

LONDON.—Life in London, as a not too flaming June prepares to subside into a sober July, is like a play without a plan. It is as if the author could not make up his mind whether he had written an allegory, a mystery thriller, a study in realism or a phantasy. If only there were an occasional raid on London it would give meaning to what almost seems meaningless.

The Fire Watchers and the A.R.P. workers stand about at their posts waiting for the emergency that they know will not be that night. They have study classes, concerts and even dances to fill in the time but mostly they stand and wait. In Libya the battle goes badly and on the West Front in London the luxury hotels wrestle with the problem of how to serve austerity meals for five shillings and sixpence and still pay overhead charges.

Our Convoys are punished in their desperate dash to reinforce Tobruk and Malta while in London the theatres and cinemas are crowded.

Youth pours out its blood in the air and in the desert while Parliament at Westminster humanely decides to look into the question of increasing pensions for the old.

The lonely sailors of the Free French Navy wander aimlessly about the streets of the metropolis while the old boys in the clubs read with horror that it will be impossible this year to arrange hospitality at other clubs during the three or four weeks their place is closed for cleaning and staff holiday. Army lorries roll through the streets while the private motorist looks at his car like the Arab taking farewell of his steed.

* * *

The 20-year Pact

Then in the midst of it all Anthony Eden had a big moment in the Commons. For two days the M.P.'s had been debating coal when suddenly there was an announcement that Eden or Churchill would make an important pronouncement on Russia. Eyebrows were raised and the black face of the coal problem blanched into insignificance. This has been a war of so much bad news that Parliament stiffened itself for yet another jolt.

But when Churchill and Eden came in it was easy to see from their faces that the news was good. It was Eden who made the announcement of the 20-year Anglo-Russian Pact and said that the complete agreement had been reached on the vexed question of the second front. The whole thing raised Eden's prestige to a new high level and Beaverbrook's "Evening Standard" declared that Churchill's eventual successor is now firmly established in the person of the handsome Foreign Secretary.

What mystified everyone, however, was how M. Molotov could have been in the country for several days without people knowing it. I was talking about this yesterday to Mrs. Eden who gave an Allied Services Cocktail Party to boost the Empire Fayre to be held on Saturday at the Dorchester. Mrs. Eden paid a great tribute to the railwaymen and servants and secretaries who knew all about M. Molotov's presence in the country but did not talk.

Mrs. Eden looked pensive however, when she told me that her elder son would shortly be joining the Air Force. He is in his last year at Eton and is just 18. That was the age of Anthony Eden when he went to France in the last war. Eden did brilliantly in France, winning the M.C. and becoming a Brigade Major at the age of twenty-one. If he could only speak better I would agree with Beaverbrook's estimate of his future. Eden has courage, judgment, character, and projectability but he gets hoarse when he speaks and his choice of language is turgid and uninspired. However, perhaps after such a lord of language as Churchill, any Prime Minister would seem to be walking in the oratorical valleys.

* * *

Napoleon on a Podium

Music-hungry Londoners crowded the Albert Hall to hear John Barbirolli conduct the London Philharmonic. His old mother sat in a box and was far more worried about John being tired than about his success with the crowd and the critics. He had been rehearsing from ten in the morning until near the time of the performance. It is almost tedious to comment on Barbirolli's likeness to Napoleon but it is most striking.

Only two things are missing, the famous paunch and the brooding melancholy of the man who wanted to rule the world. Barbirolli is content to be Fuehrer of his orchestra and he has that serenity which is so often the heritage of men who give their souls to music. His admirers stormed his dressing room afterwards while his mother looked on with a maternal mixture of pleasure and disapproval. I think she felt he ought to go home, have a bath and change. Wasn't it Shaw who said that the strangest of all relationships is that of the fundamental mother and the genius son?

* * *

Novelist of the Guard

It is pleasant for a moment to indulge in the contemplation of artists rather than politicians. After all it is thought that breeds words and words breeds destiny. Therefore I was interested to meet Richard Llewelyn last week, the man who wrote the fabulously successful "How Green is my Valley."

One becomes accustomed to novelists being unlike their works, a natural enough development since the pen and the voice frequently speak different languages. But after three hours in the company of Llewelyn I could not detect one thing in common with his book.

In the first place he is a captain in the Guards.

In the second place he has an admiration for the Guards which would be extreme even for a second Lieutenant.

In the third place he is neat and well groomed which is certainly not in tune with normal authorship.

Further, he has more half-baked economic theories in his head than a Hyde Park orator. I could detect no poetry in him, no gentleness and neither braggadocio nor humility. The only thing that excites him is the greatness of Britain — and he means these Islands over here. In fact the world seemed to him to consist of Britain and the rest.

This may be a harsh portrait I have drawn of a man who wrote a masterpiece that moved countless millions with its sincerity. There must be a missing element which I failed to uncover.

* * *

Count John

After the author of "How Green is my Valley" it was good to run into Count John McCormack at the Eden affair. Here is real value for your money. What a wit! And what an audience for a wit! Like all Irishmen the great tenor is politically minded. Like most Irishmen he can fling a phrase at will. He has been everywhere and met everyone—and is still amused.

He is going to sing at the Empire Fayre on Saturday. It almost sounds as if I am trying to sell you tickets but despite the speed of Air Mail (sometimes) the Fayre will be over and forgotten by the time these words appear. McCormack's word pictures of contemporary politicians would win him another fortune if he put them in a book.

* * *

His Majesty Loses

As you may have noticed, the wartime Derby was duly run at Newmarket and, as I predicted, the King's hot favourite was beaten. Unfortunately my selection Hyperides was only second, a fact which, I feel, requires an explanation. Let me put it the words of the immortal Jockey Steve Donoghue who watched the race and told some of us about it that night in London.

"The King's animal" said Steve, "was all right on his sire's side but his dam was a flighty filly in her day and couldn't get the distance. I used to ride her and I knew all about her.

"Well, 'Big Game' (the King's horse) went out in front and most of the other animals killed themselves racing him. But wise old Harry Wragg (the rider of the winner 'Watling Street') was too clever for everybody.

"He just kept his animal 12 lengths behind the field and let the others break their hearts. Then when Hyperides was out in front and with nothing to race against Harry came up with a long run and won by a neck."

So you see Hyperides ought to have pulled it off. At any rate Lord Derby won another Derby—but he did not see it.

Fortune Views Canada Under the Price Lid

In its July issue, Fortune magazine, leading U. S. business journal, analyses Canada's experience under the overall price ceiling.

Written by Bruce Hutchison of Victoria, B.C., Fortune's article points some lessons for U. S. price officials. Canada's ceiling, it is pointed out does not interfere with military procurement as does the United States Office of Price Administration. It is better designed for its purpose, pegging wages and farm prices which are omitted from the U. S. ceilings. It is favored by the Dominion's labor policies and tax programmes which promise to restrict consumer incomes much more drastically than present U. S. policies.

Granting that the efforts of Donald Gordon's board have been successful to date, Mr. Hutchison indicates that several hurdles are left before inflation is finally licked in Canada. Says Fortune:

"First, while it is relatively simple to squeeze business while its turnover is large, this squeeze becomes hard to take and may prove intolerable in some cases when turnover declines. And turnover inevitably must decline in many lines of business as materials grow short. It is then, in the double pinch of pegged prices and decreased volume, that businessmen and primary producers will be tempted to chisel. This test cannot be far off now.

"No Black Market"

"So far no black market has developed in Canada. Fortunately Canada has ample supplies of most foods, fuel, cotton and rayon clothing, and, in most places, of housing. This will operate against black markets, but there will be a growing temptation among small businessmen to chisel not so much on retail prices, which can be policed, but on the prices paid to primary producers.

"Next comes the problem of the businessman actually forced out of business. For the first time now, the dealer in such things as radios, refrigerators, and electrical appliances is attempting to get into other lines of business, chiefly furniture. The furniture business replies that its hands are full merely existing under the ceiling. It wants no more competitors to cut down still further a dwindling turnover. The board may be forced to use its licensing powers and finally interfere with private initiative by forbidding men to enter certain lines of business.

"The board has no control of labor, but labor can become a definite price problem. The wage peg is not sufficient to solve it, for while wages for given occupations in all industries are frozen, there is nothing to prevent an industry with high-wage standards luring to it the workers of a low-pay nonwar industry.

"Even if and when all these problems have been solved, there remains one overshadowing danger to the ceiling and it is outside Gordon's control—the swelling balloon of wartime purchasing power. Unless it can be deflated, the ceiling inevitably will break.,

"American economists have figured out and held before the people as a horrible warning the 'inflationary gap' between the potential supply of goods and the nation's purchasing power. In Canada, which is weak on national-income figures, no such calculation has been made and no one feels competent to make it. The price board's economists know that retail sales this year are continuing at about 20 per cent above last year's total. They know that the supply of goods will go down, but how far they cannot yet be sure. This lack of exact figures need not hold up a solution of the fiscal problem. The solution, in the board's opinion, is simply to enforce the highest taxes and savings possible.

"Donald Gordon would be the last to say he had got the problem of prices licked. But he has kept the cost of living down—in a manner that heightens one's faith in the businessman and the ordinary citizen. He puts it this way: 'The fact that business was intelligent enough to take temporary losses to avoid something infinitely worse, the fact that the Canadian people were willing to sacrifice their old right to struggle for increased income, is the most stirring demonstration of democracy I have ever seen. In the pinch, democracy works—if you give the people the facts'."

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